COMPANY ANNOUNCEMENT
1 NOVEMBER 2011

INTERIM REPORT – FIRST NINE MONTHS 2011

Danske Bank

Interim Report – First Nine Months 2011 is a translation of the original report in the Danish language *(Delårsrapport – 1.-3. kvartal 2011)*. In case of discrepancies, the Danish version prevails.

OPERATIONS IN 15 COUNTRIES / 661 BRANCHES / 5 MILLION CUSTOMERS / 21,567 EMPLOYEES

Highlights – Danske Bank Group

INCOME STATEMENT (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Net interest income	17,355	17,774	98	6,016	5,785	5,554	6,069	5,840	23,843
Net fee income	6,080	6,303	96	1,938	2,049	2,093	2,396	2,095	8,699
Net trading income	5,687	7,005	81	267	2,445	2,975	702	1,904	7,707
Other income	2,799	2,847	98	825	972	1,002	1,035	703	3,882
Net income from insurance business	-407	1,461	-	-735	261	67	685	705	2,146
Total income	31,514	35,390	89	8,311	11,512	11,691	10,887	11,247	46,277
Expenses	19,528	19,553	100	5,499	6,678	7,351	6,457	6,294	26,010
Profit before loan impairment charges	11,986	15,837	76	2,812	4,834	4,340	4,430	4,953	20,267
Loan impairment charges	8,396	10,835	77	2,802	2,753	2,841	2,982	3,083	13,817
Profit before tax	3,590	5,002	72	10	2,081	1,499	1,448	1,870	6,450
Tax	2,067	2,409	86	394	881	792	377	983	2,786
Net profit for the period	1,523	2,593	59	-384	1,200	707	1,071	887	3,664
Attributable to non-controlling interests	12	-	-	-	14	-2	3	-	3

BALANCE SHEET (END OF PERIOD) (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Due from credit institutions and central banks	145,300	218,533	66	145,300	142,088	170,692	228,100	218,533	228,100
Loans and advances	1,693,518	1,680,100	101	1,693,518	1,666,608	1,661,983	1,679,965	1,680,100	1,679,965
Repo loans	155,196	165,934	94	155,196	198,293	178,372	168,481	165,934	168,481
Trading portfolio assets	911,584	810,111	113	911,584	644,915	630,831	641,993	810,111	641,993
Investment securities	108,465	119,685	91	108,465	111,061	110,897	118,556	119,685	118,556
Assets under insurance contracts	225,568	220,524	102	225,568	222,203	218,980	217,515	220,524	217,515
Other assets	141,393	146,229	97	141,393	141,893	154,126	159,276	146,229	159,276
Total assets	3,381,024	3,361,116	101	3,381,024	3,127,061	3,125,881	3,213,886	3,361,116	3,213,886
Due to credit institutions and central banks	373,622	314,513	119	373,622	317,167	309,688	317,988	314,513	317,988
Deposits	788,921	763,514	103	788,921	792,037	794,604	800,613	763,514	800,613
Repo deposits	99,717	64,257	155	99,717	99,509	71,758	60,440	64,257	60,440
Bonds issued by Realkredit Danmark	534,245	563,519	95	534,245	529,808	542,065	555,486	563,519	555,486
Other issued bonds	359,022	447,277	80	359,022	410,409	422,272	450,219	447,277	450,219
Trading portfolio liabilities	677,319	658,039	103	677,319	429,391	447,881	478,386	658,039	478,386
Liabilities under insurance contracts	240,519	242,917	99	240,519	237,074	235,556	238,132	242,917	238,132
Other liabilities	111,930	123,993	90	111,930	113,410	120,938	130,544	123,993	130,544
Subordinated debt	70,059	79,578	88	70,059	72,288	75,626	77,336	79,578	77,336
Shareholders' equity	125,670	103,509	121	125,670	125,968	105,493	104,742	103,509	104,742
Total liabilities and equity	3,381,024	3,361,116	101	3,381,024	3,127,061	3,125,881	3,213,886	3,361,116	3,213,886

RATIOS AND KEY FIGURES	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Earnings per share (DKK)	1.8	3.5		-0.4	1.3	0.9	1.4	1.2	4.9
Diluted earnings per share (DKK)	1.8	3.5		-0.4	1.3	0.9	1.4	1.2	4.9
Return on average shareholders' equity (%)	1.7	3.4		-1.2	3.8	2.7	4.1	3.4	3.6
Cost/income ratio (%)	62.0	55.3		66.2	58.0	62.9	59.3	56.0	56.2
Total capital ratio (%)	18.0	17.4		18.0	18.8	17.4	17.7	17.4	17.7
Tier 1 capital ratio (%)	16.0	14.4		16.0	16.6	14.6	14.8	14.4	14.8
Share price (end of period) (DKK)	78.6	122.1		78.6	95.3	116.5	132.3	122.1	132.3
Book value per share (DKK)	135.7	138.4		135.7	136.3	140.7	140.0	138.4	140.0
Full-time-equivalent staff (end of period)	21,567	21,634		21,567	21,536	21,434	21,522	21,634	21,522

Share ratios covering the first quarter of 2011 and previous periods have been divided by a factor of 1.0807 to reflect the share capital increase in April 2011.

Overview

First nine months of 2011

The Danske Bank Group posted a net profit of DKK 1.5 billion for the first nine months of 2011. Results were adversely affected by low interest rates, low economic growth and turbulent capital markets.

- Total income was DKK 31.5 billion, down 11% from the level in the first nine months of 2010.
  - As expected, net interest income declined from the year-earlier level, but the trend reversed towards the end of the period following the Group's decision to raise lending rates.
  - Net trading income was satisfactory in the first two quarters of the period but suffered from the global financial turmoil in the third quarter.
  - The Group's insurance business showed a loss, mainly as a result of postponed booking of the risk allowance to income and a strengthening of technical provisions necessitated by adverse developments in the credit bond and equity markets.

- Despite an extraordinary commitment of DKK 1.0 billion to the Danish Guarantee Fund for Depositors and Investors to cover losses on distressed banks, expenses remained at the year-earlier level.

- Loan impairment charges totalled DKK 8.4 billion, down 23% from the level in the first nine months of 2010. The fall reflected improved conditions in several markets, with the most notable fall in charges in Denmark and the Baltics. The difficult market conditions in Ireland and Northern Ireland persisted.

- Lending and deposits matched the levels at the end of 2010. Lending as a percentage of bonds issued by Realkredit Danmark and deposits rose to 112% from 110% at the end of 2010.

- In April 2011, the Group strengthened its capital position through a share offering with pre-emption rights for existing shareholders. The net proceeds were DKK 19.8 billion. The issue lifted the Danske Bank Group's core tier 1 capital ratio by about 2.2 percentage points (calculated at 30 September 2011).
  - Danske Bank and the Danish government could not agree on terms for a prepayment of the state hybrid capital that were financially acceptable to Danske Bank. The loan will be repaid in 2014.

- At 30 September 2011, the tier 1 capital and total capital ratios were solid at 16.0% and 18.0%, respectively, against 14.8% and 17.7% at the end of 2010. The core tier 1 capital ratio was 11.8%, against 10.1% at the end of 2010.
  - A recalibration of the Group's internal ratings-based (IRB) approach increased total risk-weighted assets to DKK 895 billion at 30 September 2011, up from DKK 844 billion at 31 December 2010.

- In the first nine months of 2011, the Group issued covered bonds and senior debt for a total of DKK 48.6 billion.
  - In the third quarter of 2011, banks' access to long-term funding through issues on the financial markets was extremely limited. Nonetheless, the Group has met the objectives set out in the long-term funding plan for 2011.

- In order to ensure the Group's future earnings capacity, the Group is launching a three-year cost-savings programme that will reduce expenses by about DKK 2 billion in the 2012-14 period. The cost reduction is also a consequence of customers' use of the Group's new self-service products, such as mobile banking, for an increasing number of banking transactions. The focus will be on improving customer service and making the Group more efficient.

- Peter Straarup, Chairman of the Executive Board, wishes to retire. Consequently, the Board of Directors is initiating the process of finding a new chief executive officer.

Third quarter 2011

The Group posted a pre-tax profit of DKK 10 million in the third quarter of 2011. Higher net interest income and lower expenses could not offset a fall in net trading income, a loss on the insurance business and higher loan losses.

- The third quarter of 2011 saw a positive trend in net interest income because of interest rate increases.
- Volatile interest rates, equity prices and exchange rates led to low net trading income and a loss on the insurance business.
- Loan impairment charges related mainly to facilities to commercial property, agricultural and personal customers in Denmark.

Outlook for 2011

The global economy remains very fragile, and growth rates in the Western world are expected to be low in the remainder of 2011. Structural challenges in the economies of southern Europe and Ireland and a heavy budget deficit in the US are constraining economic growth and affecting the stability of the financial markets.

- Activity at the banking units and at Danske Capital is likely to remain stable, while the trend in earnings at the other capital markets units will depend on financial market trends.
- The Group will continue to focus on tight cost control.
- The global economic developments could contribute to making the Group's loan impairment charges higher in the fourth quarter than in the third quarter, but the figure for the full year is still expected to be lower than the 2010 figure.

Financial results for the period

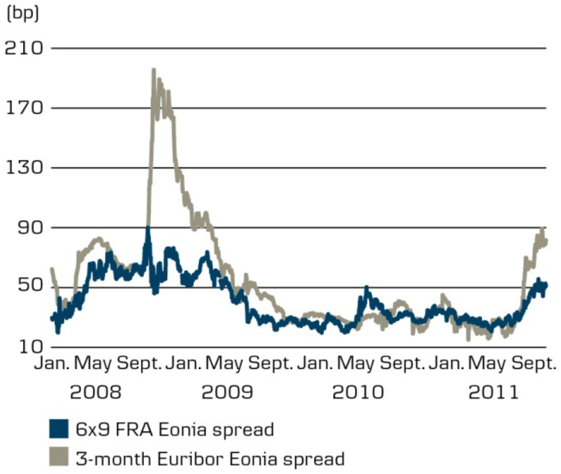
The Danske Bank Group posted a profit before tax of DKK 3.6 billion for the first nine months of 2011. The net profit for the period was DKK 1.5 billion. Excluding the third-quarter results of the insurance business and Danske Markets and Treasury, the net profit was in line with expectations.

Interest rates remained low in the first nine months of 2011. The European Central Bank postponed expected rate hikes because of the financial unrest. Moreover, the Danish central bank lowered its certificate of deposit rate twice in the third quarter. These rate changes were made to stabilise the Danish krone rather than in response to interest rate changes in the euro zone.

The capital markets were adversely affected to an increasing degree by the European debt crisis and the consequent focus on the banking sector's credit exposure and funding needs. In the autumn of 2011, money market spreads widened, although not nearly as much as during the 2008 crisis.

The intense unrest led to a generally more difficult business environment, which affected the Group's net trading income and Danica Pension's performance in particular.

MONEY MARKET SPREADS



The Group's core business area, the banking units, generated a 10% increase in earnings before loan impairment charges compared with the year-earlier level. Loan impairment charges declined substantially, and this contributed to acceptable results at Retail Banking Denmark and Retail Banking Sweden. The Irish and Northern Ireland banking units recognised substantial loan impairment charges, and both units posted losses.

At Danske Markets, profit before impairment charges was DKK 2.5 billion, down from DKK 4.1 billion a year earlier. Danske Markets delivered satisfactory results in the first two quarters of the period, but in the third quarter, income was adversely affected by the global financial turmoil.

Danske Capital posted a profit before impairment charges of DKK 0.6 billion, an 18% rise from the profit in the same period in 2010. The rise was driven by higher average assets under management and wider margins.

The insurance business showed a loss since the Group had to postpone booking the risk allowance to income and to strengthen technical provisions because of adverse developments in the credit bond and equity markets.

Other Activities posted a loss because of the commitment of an estimated DKK 1.0 billion to the Danish Guarantee Fund for Depositors and Investors to cover losses on distressed banks.

Profitability

The Group maintains a strong focus on profitability and efficiency. Since 2008, it has cut costs in a number of areas, reducing the headcount by about 2,000 employees and the number of branches by about 140. This development has been a natural consequence of customers' use of eBanking, mobile banking and the 24/7 Contact Centre for an increasing number of banking transactions. The Group expects this trend to continue, and the changing customer behaviour contributes significantly to ongoing cost savings.

PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Total Retail Banking Denmark	5,911	4,998	118	2,188	1,880	1,843	1,909	1,741	6,907
Total Retail Banking international	2,994	3,171	94	1,169	950	875	924	1,138	4,095
Corporate & Institutional Banking	1,401	1,203	116	493	484	424	554	377	1,757
Total Banking Activities	10,306	9,372	110	3,850	3,314	3,142	3,387	3,256	12,759
Danske Markets and Treasury	2,502	4,137	60	-650	1,367	1,785	-102	908	4,035
Danske Capital	586	497	118	212	170	204	336	173	833
Danica Pension	-407	1,461	-	-735	261	67	685	705	2,146
Other Activities	-1,001	370	-	135	-278	-858	124	-89	494
Total Group	11,986	15,837	76	2,812	4,834	4,340	4,430	4,953	20,267

Total Retail Banking International comprises retail banking and other retail units outside Denmark.

In order to ensure the Group's future earnings capacity, the Group is launching a three-year cost-savings programme that will reduce expenses by 10% or about DKK 2 billion in the 2012-14 period.

The focus will be on improving customer service and making the Group more efficient.

The cost reduction is also a consequence of customers' use of the Group's new self-service products, such as mobile banking, for an increasing number of banking transactions. This change in customer behaviour is affecting the number of employees required. The cost-savings programme therefore includes a headcount reduction of about 2,000 employees over the period. The Group expects that a substantial number of the reductions can be made without redundancies, provided that attrition and retirements at the Group remain at the usual levels.

The Group has also launched initiatives aimed at improving earnings and ensuring that its business model creates value even in times of low economic growth. A key measure is wider lending margins to compensate for increasing capital, liquidity and funding costs. The Group has made a number of price increases and plans further measures.

Income

Total income was DKK 31.5 billion, down 11% from the income in the first nine months of 2010, mainly because of lower net trading income and the insurance business loss.

Net interest income amounted to DKK 17.4 billion, a fall of 2% from the level in the first nine months of 2010. The fall was caused primarily by low interest rates in the early months of 2011. Rising money market rates led to wider deposit margins in the second and third quarters. The general increase in lending margins from mid-2011 had a positive effect on net interest income towards the end of the period.

The allocation of funding costs for lending and deposit activities was changed at 1 January 2011 to better reflect the duration of loans and deposits. This reduced net interest income by about DKK 180 million and lifted net trading income at Group Treasury by the same amount.

Net fee income fell 4% from the year-earlier figure, mainly because of a charge for the commission on government-guaranteed bonds of DKK 209 million.

Net trading income amounted to DKK 5.7 billion, down 19% from the level in the first nine months of 2010. Net trading income was satisfactory in the first two quarters of the period but suffered from the global financial turmoil in the third quarter. As a result of the market conditions, financial players' risk tolerance declined. This led to lower interest rates, higher volatility and less liquidity on the interbank markets in the third quarter. Income from customer-driven activity improved.

Other income fell 2% from the year-earlier level because of lower one-off income.

The Group's insurance business posted a loss of DKK 0.4 billion, against a profit of DKK 1.5 billion a year earlier. The results were adversely affected by the transfer of the risk allowances for all four interest rate groups at Danica Pension to the shadow account and a strengthening of technical provisions necessitated by adverse developments in the credit bond and equity markets. Danica Pension will be able to reverse the booking of the risk allowances if it realises results for each of the interest rate groups that are sufficiently positive, also to restore the bonus potential of paid-up policies.

Expenses

Expenses remained at the year-earlier level, DKK 19.5 billion. Excluding one-off expenses, the first nine months of 2011 saw a 3% increase in expenses owing mainly to higher IT development costs, higher marketing costs and general wage and price increases.

ORDINARY EXPENSES (DKK billions)	Q1-Q3 2011	Q1-Q3 2010
Expenses	19.5	19.6
Commission (Bank Package 1)	-	1.9
The Danish Guarantee Fund	1.0	-
Severance payments	0.2	0.1
Adjustment of write-downs, assets of a temporarily acquired company	0.1	-
Ordinary expenses	18.2	17.6
Cost/income ratio (%)	62.0	55.3
Ordinary expenses/income ratio (%)	57.8	49.6

The IT investment programme continues in 2011. The aim is to invest in a number of new products and services to ensure the innovative use of digital technology.

A revaluation of the assets and liabilities of Amagerbanken A/S under bankruptcy allowed an increase in the dividend percentage that reduced the initially estimated DKK 0.9 billion commitment to the Danish Guarantee Fund for Depositors and Investors by DKK 0.2 billion in the second quarter and by DKK 0.4 billion in the third quarter of 2011.

The resolution of Max Bank A/S under Bank Package 4 resulted in a commitment to the Danish Guarantee Fund for Depositors and Investors of an estimated DKK 0.2 billion in the third quarter of 2011.

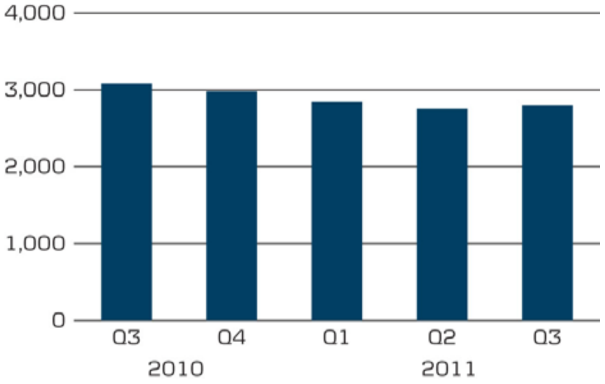
Loan impairment charges

Loan impairment charges totalled DKK 8.4 billion, against DKK 10.8 billion a year earlier. The charges related mainly to the commercial property segments in Ireland and Northern Ireland and to agricultural, commercial property and personal customer exposures in Denmark.

At 30 September 2011, loan impairment charges equalled 0.6% of lending and guarantees, against 0.7% at 30 September 2010.

Loan impairment charges rose at Retail Banking Denmark in the third quarter. The charges related mainly to agricultural, commercial property and personal customer exposures.

LOAN IMPAIRMENT CHARGES
(DKK millions)



Charges against facilities to personal customers amounted to DKK 1.1 billion, and charges against facilities to business customers to DKK 8.2 billion, with small and medium-sized enterprises accounting for DKK 6.3 billion. Charges against facilities to financial counterparties saw a net reversal of DKK 0.9 billion.

Individual charges amounted to a net DKK 8.4 billion. Collective charges were unchanged.

LOAN IMPAIRMENT CHARGES (DKK millions)	Q1-Q3 2011	Q1-Q3 2010
Retail Banking Denmark	2,649	6,487
Retail Banking Finland	57	76
Retail Banking Sweden	47	67
Retail Banking Norway	271	89
Banking Activities Northern Ireland	1,654	783
Banking Activities Ireland	4,711	3,756
Banking Activities Baltics	-156	171
Other Banking Activities	96	59
Corporate & Institutional Banking	95	26
Total Banking Activities	9,424	11,514
Danske Markets and Treasury	-981	-683
Danske Capital	-47	4
Total	8,396	10,835

Denmark

Loan impairment charges at Retail Banking Denmark totalled DKK 2.6 billion, with banking activities accounting for DKK 1.9 billion and mortgage finance for DKK 0.7 billion. The charges reflect a compensation of DKK 0.8 billion deriving from the termination of a credit insurance contract covering potential losses on certain types of lending.

Realkredit Danmark recognised charges against facilities to personal customers of DKK 0.5 billion, while charges against facilities to other customers amounted to DKK 0.2 billion. Delinquency rates for residential mortgage loans remained low.

At Retail Banking Denmark, excluding Realkredit Danmark, the charges recognised in the period related mainly to agricultural, commercial property and personal customer exposures.

The agricultural segment continued to struggle with very challenging market conditions. Low prices make it difficult for pig farmers in particular to operate at a profit. Individual loan impairment charges against facilities to agricultural customers amounted to DKK 1.8 billion at 30 September 2011, with pig farmers accounting for DKK 0.9 billion. In addition, the Group recognised collective charges of DKK 0.3 billion against facilities to agricultural customers. Retail Banking Denmark's total credit exposure to agricultural customers was DKK 10 billion.

The residential and commercial property markets saw higher vacancy rates, and the decline in consumer spending hit retailers hard. Charges relating to the commercial property segment totalled DKK 2.4 billion at the end of the period.

Activity in the housing market was subdued, with prices declining throughout the period. The Group expects a rising number of personal customers to suffer losses on the sale of their homes. As customers are thus more likely to default on their loans in the event of rising unemployment, the Group has increased its charges against facilities to personal customers. Charges relating to the personal customer segment totalled DKK 3.6 billion at the end of the period.

Ireland

At Banking Activities Ireland, loan impairment charges in the first nine months of 2011 amounted to DKK 4.7 billion.

Charges were higher than expected, reflecting a further deterioration of conditions in the commercial property market. In the investment property segment, rents declined and vacancy rates rose. Moreover, the rate of return required by investors increased, and this had an adverse effect on collateral values.

At 30 September 2011, charges and actual losses totalled DKK 16.9 billion, or 23% of the entire exposure. Total charges against facilities to the commercial property and construction segments, and actual losses on the segments amounted to DKK 12.5 billion, or 46% of the entire exposure. With a total of DKK 4.6 billion, or 55% of the entire exposure, the property development segment occasioned the largest charges and losses.

Actual losses on and charges against facilities to other business segments and personal customers were low, totalling DKK 4.4 billion, or 9% of the entire exposure.

Northern Ireland

At Banking Activities Northern Ireland, loan impairment charges in the first nine months of 2011 amounted to DKK 1.7 billion.

Charges were high, primarily because of lower commercial property prices. The property development segment saw the largest charges, mainly because of lower residential construction activity.

At 30 September 2011, charges and actual losses totalled DKK 5.2 billion, or 9% of the entire exposure. Total charges against facilities to the commercial property and construction segments, and actual losses on the segments amounted to DKK 4.2 billion, or 28% of the entire exposure. The property development segment accounted for total charges and losses of DKK 1.9 billion, or 50% of the entire exposure.

Actual losses on and charges against facilities to other business segments, including agricultural customers, and personal customers were low, totalling DKK 1.0 billion, or 3% of the entire exposure.

Other units

Loan impairment charges were low at Retail Banking Sweden, Retail Banking Norway, Retail Banking Finland and Banking Activities Baltics and related mostly to a few exposures. Altogether, charges were lower than the expected average over a business cycle. At 30 September 2011, loan impairment charges equalled 0.1% of lending and guarantees.

Impairment charges at Corporate & Institutional Banking related to a few exposures. Overall credit quality remained good. The charges equalled 0.1% of lending and guarantees.

Loan impairment charges at Danske Markets included reversals of previously recognised charges, for example charges against the exposure to Lehman Brothers.

Actual losses rose from DKK 2.8 billion in the first nine months of 2010 to DKK 7.2 billion, mainly because of the settlement of DKK 3.3 billion for the Group's commitment under Bank Package 1.

Tax

Tax on the profit for the period, including adjustments of prior-year tax charges, amounted to DKK 2.1 billion. The tax charge is high relative to the profit for the period, mainly because of losses in Ireland. The tax value of losses is booked and capitalised only if it is likely that, in the future, the Group will book a taxable income that can absorb any tax-loss carryforwards made.

Third quarter 2011

The pre-tax profit for the third quarter of 2011 was DKK 10 million, down from a profit of DKK 2.1 billion in the second quarter.

Higher net interest income and lower expenses could not offset declining net trading income and a loss on the insurance business. Total income was down 28% from the level in the second quarter.

Net interest income rose 4% from the second-quarter level. As expected, increased lending rates at Retail Banking Denmark added DKK 0.1 billion to income.

Net trading income suffered from the global financial turmoil in the third quarter and amounted to DKK 0.3 billion, down from DKK 2.4 billion in the second quarter. As a result of the market conditions, financial players' risk tolerance declined. This led to lower interest rates, higher volatility and less liquidity on the interbank markets. Income from customer-driven activity remained high.

The Group's insurance business posted a loss of DKK 0.7 billion, against a profit of DKK 0.3 billion in the second quarter. The results were adversely affected since the Group had to postpone booking the risk allowances for all four interest rate groups at Danica Pension to income and to strengthen the technical provisions because of adverse developments in the credit bond and equity markets.

Expenses fell 18% from the second-quarter level and amounted to DKK 5.5 billion. The higher dividend percentage from Amagerbanken A/S's bankruptcy reduced the initially estimated DKK 0.9 billion commitment to the Danish Guarantee Fund for Depositors and Investors by DKK 0.2 billion in the second quarter and by DKK 0.4 billion in the third quarter. The resolution of Max Bank A/S under Bank Package 4 resulted in a commitment to the Danish Guarantee Fund for Depositors and Investors of an estimated DKK 0.2 billion in the third quarter. Expenses benefited from lower expenses for holiday pay and lower IT development and marketing costs in the third quarter.

Compared with the level in the second quarter, loan impairment charges mainly reflected higher charges in Denmark. As forecast, impairment charges in Ireland and Northern Ireland were high because of the persistently difficult market conditions, although charges were lower than in the second quarter at National Irish Bank. Altogether, charges fell in the Group's other markets, and Danske Markets saw a reversal of previously recognised charges.

Balance sheet

LENDING (END OF PERIOD) (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Retail Banking Denmark	963,637	969,173	99	963,637	950,340	945,213	961,686	969,173	961,686
Retail Banking Finland	148,387	139,684	106	148,387	146,803	142,693	140,587	139,684	140,587
Retail Banking Sweden	180,317	175,917	103	180,317	182,218	182,866	178,715	175,917	178,715
Retail Banking Norway	129,799	121,120	107	129,799	130,249	125,488	124,774	121,120	124,774
Banking Activities Northern Ireland	52,831	54,032	98	52,831	48,929	49,229	52,130	54,032	52,130
Banking Activities Ireland	66,657	72,740	92	66,657	67,861	69,251	70,233	72,740	70,233
Banking Activities Baltics	21,444	24,736	87	21,444	22,254	23,198	23,833	24,736	23,833
Other Banking Activities	17,095	17,026	100	17,095	16,318	16,661	16,126	17,026	16,126
Corporate & Institutional Banking	108,034	106,227	102	108,034	103,483	102,550	102,578	106,227	102,578
Total Banking Activities	1,688,201	1,680,655	100	1,688,201	1,668,455	1,657,149	1,670,662	1,680,655	1,670,662
Danske Markets and Treasury	46,407	40,847	114	46,407	40,671	42,602	48,665	40,847	48,665
Danske Capital	6,266	6,195	101	6,266	6,293	6,356	6,450	6,195	6,450
Other Activities	-936	-5,388	-	-936	-4,878	-3,571	-6,163	-5,388	-6,163
Allowance account	46,420	42,209	110	46,420	43,933	40,553	39,649	42,209	39,649
Total lending	1,693,518	1,680,100	101	1,693,518	1,666,608	1,661,983	1,679,965	1,680,100	1,679,965

BONDS ISSUED BY REALKREDIT DANMARK AND DEPOSITS (END OF PERIOD) (DKK millions)									
Retail Banking Denmark	281,261	288,281	98	281,261	282,927	280,929	281,698	288,281	281,698
Retail Banking Finland	104,568	100,658	104	104,568	102,431	102,984	97,314	100,658	97,314
Retail Banking Sweden	65,301	67,713	96	65,301	66,719	68,208	72,762	67,713	72,762
Retail Banking Norway	56,749	52,083	109	56,749	56,799	54,150	54,101	52,083	54,101
Banking Activities Northern Ireland	53,540	50,367	106	53,540	49,408	50,917	53,166	50,367	53,166
Banking Activities Ireland	37,462	31,685	118	37,462	37,921	42,446	39,416	31,685	39,416
Banking Activities Baltics	20,137	19,420	104	20,137	20,822	20,138	20,521	19,420	20,521
Other Banking Activities	6,649	5,356	124	6,649	4,936	5,484	5,413	5,356	5,413
Corporate & Institutional Banking	67,957	68,456	99	67,957	68,990	72,800	71,754	68,456	71,754
Total Banking Activities	693,624	684,019	101	693,624	690,953	698,056	696,145	684,019	696,145
Danske Markets and Treasury	96,768	81,491	119	96,768	101,854	97,840	102,777	81,491	102,777
Danske Capital	6,584	6,073	108	6,584	6,424	6,075	5,869	6,073	5,869
Other Activities	-8,055	-8,069	-	-8,055	-7,194	-7,367	-4,178	-8,069	-4,178
Total deposits	788,921	763,514	103	788,921	792,037	794,604	800,613	763,514	800,613
Bonds issued by Realkredit Danmark	534,245	563,519	95	534,245	529,808	542,065	555,486	563,519	555,486
Own holdings of Realkredit Danmark bonds	182,930	160,056	114	182,930	170,094	153,351	172,643	160,056	172,643
Total Realkredit Danmark bonds	717,175	723,575	99	717,175	699,902	695,416	728,129	723,575	728,129
Bonds issued by Realkredit Danmark and deposits	1,506,096	1,487,089	101	1,506,096	1,491,939	1,490,020	1,528,742	1,487,089	1,528,742
Lending as % of bonds issued by Realkredit Danmark and deposits	112	113		112	112	112	110	113	110

Lending

At 30 September 2011, total lending to personal and business customers largely matched the level at the end of 2010.

Third-quarter lending at Retail Banking Denmark was up DKK 13 billion from the second-quarter level, mainly because of market value adjustments of mortgage loans.

In Denmark, new lending, excluding repo loans, came to DKK 34.8 billion. This amount included lending to personal customers of DKK 15.4 billion. Net new mortgage lending accounted for DKK 10.8 billion of new lending to personal customers.

Lending equalled 112% of the total amount of bonds issued by Realkredit Danmark and deposits, against 110% at the end of 2010.

Bonds issued by Realkredit Danmark and deposits

Total deposits from personal customers largely matched the level at 31 December 2010, while deposits from business customers declined a little.

Deposits at Retail Banking Denmark were on a par with the end-2010 level. Excluding exchange rate effects, total deposits at the units outside Denmark also matched the level at the end of 2010.

Primarily because of market value adjustments, the total value of mortgage bonds issued to fund loans provided by Realkredit Danmark, including the Group's own holdings, was DKK 717 billion, down 2% from the level at the end of 2010.

Credit exposure

At 30 September 2011, total credit exposure amounted to DKK 3,552 billion, against DKK 3,402 billion at the end of 2010. Some DKK 2,246 billion derived from Danish and international lending activities and DKK 1,021 billion from trading and investment activities.

Credit exposure from lending activities

In addition to exposure resulting from actual lending, total credit exposure from lending activities includes amounts due from credit institutions and central banks, guarantees and irrevocable loan commitments. The exposure is measured net of accumulated impairment charges and includes repo loans.

Personal customers accounted for 39% of credit exposure from lending activities, business customers for 40%, and financial counterparties for 16%. The remainder was exposure to central banks and governments. Of the exposure to business customers, small and medium-sized enterprises accounted for 69%.

CREDIT EXPOSURE FROM LENDING ACTIVITIES (DKK millions)	30 Sept. 2011	Share of total (%)	31 Dec. 2010	Share of total (%)
Retail Banking Denmark	971,156	43	973,075	41
Retail Banking Finland	155,548	7	146,697	6
Retail Banking Sweden	193,751	9	198,334	8
Retail Banking Norway	142,573	6	138,386	6
Banking Activities Northern Ireland	52,244	2	51,872	2
Banking Activities Ireland	55,168	3	62,678	3
Banking Activities Baltics	22,554	1	25,314	1
Other Banking Activities	58,771	3	63,443	3
Corporate & Institutional Banking	251,357	11	254,535	11
Total Banking Act.	1,903,122	85	1,914,334	81
Danske Markets and Treasury	333,986	15	439,065	19
Danske Capital	9,229	-	10,057	-
Total	2,246,337	100	2,363,456	100

Personal customers

Credit exposure to personal customers covers loans secured on the customers' assets and unsecured or partially secured consumer loans and credits.

At 30 September 2011, credit exposure to personal customers amounted to DKK 878 billion. Home financing accounted for DKK 783 billion, and Realkredit Danmark loans accounted for DKK 421 billion of that amount. Most of the home loans were variable-rate loans.

In Denmark, personal customer credit quality remained good. Delinquencies as a percentage of total payments on Realkredit Danmark loans remained at the year-earlier level. The three-month delinquency rate for home loans was 0.35%, down from 0.36% at 30 September 2010. Still, the slowdown in the housing market and declining prices are likely to cause an increasing number of personal customers to suffer losses on the sale of their homes.

DANISH PROPERTY PRICES
(2000 = 100)

At the other Nordic retail banking units, personal customer credit quality was stable at the level at the end of 2010, and delinquency rates remained low.

At the units in Ireland and Northern Ireland, credit quality suffered because of high unemployment rates and a continued decline in disposable incomes. Delinquency rates rose slightly at the Irish unit but were below the average in Ireland. The units in Northern Ireland and Ireland take a conservative approach when granting home loans and setting loan-to-value (LTV) ratio limits.

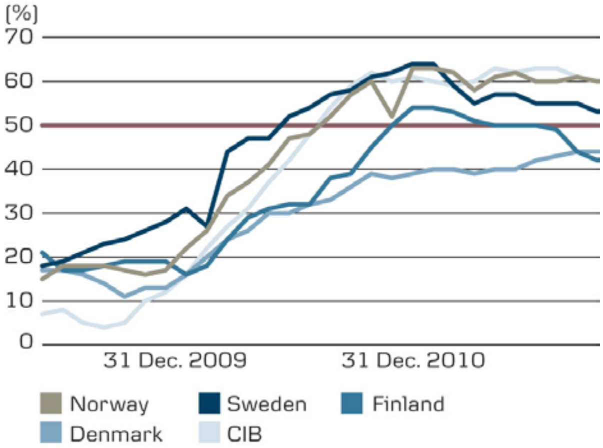
Loan demand from personal customers fell from the level in the first nine months of 2010. The share of approved personal customer loan applications was unchanged at 91%.

Business customers

At 30 September 2011, credit exposure to business customers amounted to DKK 895 billion. The Group monitors high-risk industries on an ongoing basis.

In the third quarter of 2011, business customer credit quality was largely unchanged, although business customers in Ireland and Northern Ireland were facing difficulties. In Denmark, lower credit quality among small and medium-sized enterprises also affected overall credit quality.

BUSINESS RATINGS



Upgrades as % of rating changes in terms of exposure amount - 12-month moving average

The Group's general recalibration of its rating models affected business ratings.

At 30 September 2011, credit exposure from property loans amounted to DKK 254 billion. At Retail Banking Denmark, credit quality was adversely affected by higher vacancy rates for residential and commercial property. The decline in consumer spending hit retailers hard.

The property sectors in Ireland and Northern Ireland continued to suffer from falling property prices. Property developers in particular struggled with lower property values. The drop in rental prices and higher vacancy rates squeezed earnings on rental property, reducing credit quality. At 30 September 2011, exposure to the Irish and Northern Ireland property sectors amounted to DKK 12 billion and DKK 8 billion, respectively. Property developers in Ireland accounted for DKK 4 billion (7% of the total exposure in Ireland). In Northern Ireland, the figure was DKK 2 billion (4% of the total exposure in Northern Ireland).

Among small and medium-sized enterprises in Denmark, agricultural customers had the lowest credit quality because of persistently low earnings, high gearing and falling property prices. Low prices squeezed the credit quality of pig farmers in particular. At the end of September 2011, credit exposure to agricultural customers amounted to DKK 69 billion, with DKK 45 billion deriving from loans provided by Realkredit Danmark. The exposure to pig farmers was DKK 14 billion. The average LTV ratio for agricultural properties mortgaged to Realkredit Danmark was 73%, against 71% at the end of 2010.

Accumulated impairment charges against facilities to business customers accounted for 73% of total charges and equalled 4.3% of lending and guarantees to business customers.

Financial counterparties

Credit exposure to financial counterparties amounted to DKK 364 billion at 30 September 2011, against DKK 441 billion at the end of 2010. Most of it related to highly secured bank facilities, for which the collateral consisted mainly of repo transactions.

Exposure to small and medium-sized Danish banks (groups 2-4 as defined by the Danish central bank) amounted to DKK 1.8 billion at 30 September 2011.

Allowance account

At 30 September 2011, accumulated impairment charges amounted to DKK 47.2 billion, against DKK 43.8 billion at 31 December 2010. Collective charges accounted for DKK 4.6 billion of the total amount.

ALLOWANCE ACCOUNT (DKK millions)	30 Sept. 2011	31 Dec. 2010
Retail Banking Denmark	17,185	19,089
Retail Banking Finland	2,198	2,036
Retail Banking Sweden	1,101	1,193
Retail Banking Norway	1,730	1,469
Banking Activities Northern Ireland	4,702	3,078
Banking Activities Ireland	14,123	9,564
Banking Activities Baltics	2,522	2,892
Other Banking Activities	336	348
Corporate & Institutional Banking	589	935
Danske Markets and Treasury	2,518	2,954
Danske Capital	161	211
Total	47,165	43,769

Rating categories 11 and 10 comprise individually impaired exposures.

EXPOSURE AT 30 SEPTEMBER 2011 (DKK billions)	Rating category 11	10
Credit exposure before impairment charges	60.9	45.2
Impairment charges	30.0	12.5
Credit exposure	30.9	32.7
Collateral value	23.2	19.4
Total unsecured exposure	7.7	13.3
Covered by impairment charges and collateral (%)	87.3	70.6

Rating category 11 contains exposures to customers that, according to the Group's definition, are in default. These customers are subject to debt collection, suspension of payments, restructuring or bankruptcy, or have one or more facilities on which a payment is more than 90 days past due. If a customer defaults on just a single facility, the downgrade to category 11 applies to the entire exposure to the customer. Downgrading takes place even if the exposure is fully secured.

The net exposure to customers in default (rating category 11) totalled DKK 30.9 billion, against DKK 29.9 billion at the end of 2010. The total unsecured exposure was DKK 7.7 billion. The Group expects bankruptcy dividends to cover the unsecured exposure.

Rating category 10 contains customers with impaired exposures that are not in default. Other evidence of financial difficulty exists for these customers, however, such as a need for financial restructuring in the future. Most of these customers continue to service their loans in a timely manner.

The net exposure to customers in category 10 totalled DKK 32.7 billion, against DKK 34.0 billion at the end of 2010.

Trading and investment activities

Credit exposure from trading and investment activities rose from DKK 761 billion at 31 December 2010 to DKK 1,021 billion at 30 September 2011.

The rise was caused mainly by an increase in the value of derivatives as lower market rates led to higher fair values of conventional interest rate contracts. The Group has made agreements with many of its counterparties to net positive and negative market values. The net exposure was limited, and most of it was secured by collateral management agreements.

The value of the Group's bond portfolio was DKK 474 billion, with DKK 74.1 billion recognised at fair value according to the rules on available-for-sale financial assets. Of the total bond portfolio, 97.5% was recognised at fair value and 2.5% at amortised cost. The Group has not reclassified bonds since 2008.

Most of the bond portfolio is liquid and can be used as collateral for loans from central banks and thus forms part of the liquidity reserve.

BOND PORTFOLIO (%)	30 Sept. 2011	31 Dec. 2010
Government bonds and bonds guaranteed by central or local governments	36	29
Bonds issued by quasi-government institutions	2	2
Danish mortgage bonds	41	45
Swedish covered bonds	11	13
Other covered bonds	5	5
Short-dated bonds (CP etc.), primarily with banks	2	2
Corporate bonds	3	4
Total holdings	100	100
Available-for-sale bonds included in total holdings	16	21

The Group's holdings of government bonds consist primarily of bonds issued by the Nordic countries, Germany, France and the UK. Government bonds issued by Ireland, Portugal, Spain and Italy accounted for only DKK 12.0 billion of the total bond portfolio. Excluding unsettled transactions and hedging transactions, the net exposure to these countries was DKK 3.3 billion. The government bond exposure to Italy was DKK 8.1 billion, with a net exposure of DKK 2.4 billion. All government bonds issued by Ireland, Portugal, Spain and Italy were recognised at market value. The Group's bond portfolio did not include any government bonds issued by Greece.

Capital and solvency

In April 2011, the Group raised new share capital through a rights issue. The gross proceeds were DKK 20.0 billion, and the net proceeds DKK 19.8 billion. The issue lifted the Danske Bank Group's core tier 1 capital ratio by about 2.2 percentage points (calculated at 30 September 2011).

One purpose of the share capital increase was to make it possible for Danske Bank to repay the hybrid capital raised in 2009 from the Danish state as early as 2012. An agreement on prepayment terms that was financially satisfactory for Danske Bank could not be reached, however, and Danske Bank decided not to prepay the loan.

At 30 September 2011, the total capital ratio was 18.0%, with 16.0 percentage points deriving from tier 1 capital. The core tier one capital ratio was 11.8%. Subordinated loan capital raised from the Danish state accounted for 2.9 percentage points of the total capital and tier 1 capital ratios. At 31 December 2010, the total capital ratio was 17.7% and the tier 1 capital ratio 14.8%. At 30 September 2011, the Group's solvency need stood at DKK 90 billion, unchanged from the need at 31 December 2010.

At the end of September 2011, the capital base totalled DKK 160.7 billion, against DKK 149.7 billion at the end of 2010. The calculation of the capital base takes into account the prepayment of a subordinated loan raised by Danica of DKK 3.0 billion.

At 30 September 2011, risk-weighted assets totalled DKK 895 billion, against DKK 844 billion at 31 December 2010. The Group uses primarily the internal ratings-based (IRB) approach to calculate risk-weighted assets for credit risk. In 2010, the Group recalibrated its IRB approach. Related initiatives were implemented in the third quarter of 2011 to improve models and parameters, and they caused an increase in risk-weighted assets of DKK 34 billion, mainly relating to the Group's activities outside Denmark (in Ireland in particular). The increase in risk-weighted assets had no significant effect on the Group's solvency need because it had already been taken into account. The Group believes that its models are robust and sufficiently conservative. The Group continues to monitor its models and the calculated results, and will, if necessary, make adjustments for changes in economic, financial or regulatory conditions.

The rules for calculating capital requirements for market risks (stressed VaR) are likely to be changed in the fourth quarter of 2011. The Group expects these changes to increase risk-weighted assets by about DKK 40 billion and reduce the core tier one capital ratio by about 0.5 percentage points (calculated at 30 September 2011).

Under Danish law, the Group must publish its solvency need on a quarterly basis. More detailed information is available at www.danskebank.com/ir.

The Committee of the European Banking Authority (EBA) included Danske Bank in the group of 90 European banks covered by the July 2011 EU-wide stress testing exercise.

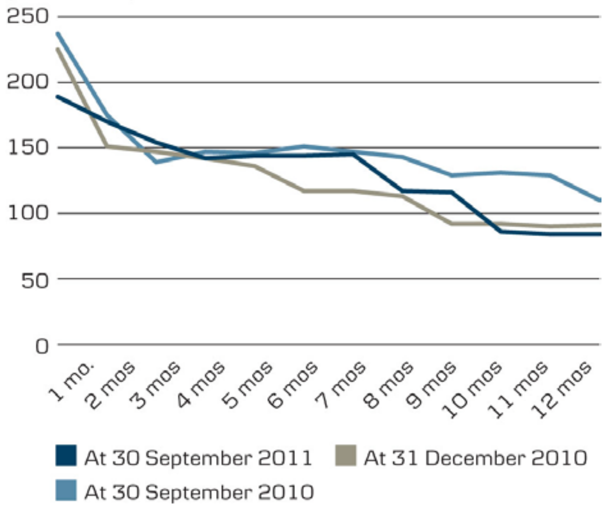
More details on the stress test are available at www.danskebank.com/ir.

Funding and liquidity

In the first nine months of 2011, the capital markets again exhibited high volatility because of sovereign debt problems in several European countries. The international capital markets froze in the third quarter of 2011. Hardly any banks were able to obtain senior funding, and the short-term interbank lending market was at times very sluggish. At the same time, Denmark attracted negative attention when a number of banks had their activities transferred to the Financial Stability Company and Moody's downgraded several Danish banks, including Danske Bank.

The Group maintained a strong liquidity position throughout these events, and the Group can continue operations even if access to the capital markets is cut off for much more than 12 months, as shown by the Moody's liquidity curve. The Group uses this curve as one of the elements in its liquidity management. The Group's 12-month liquidity curve is positive for more than two and a half years.

12-MONTH LIQUIDITY
(DKK billions)



The Group's raising of substantial long-term funding and the favourable changes in the loan-to-deposit ratio in 2009 and 2010 contributed to this positive liquidity position, and both will help the Group meet future regulatory requirements for liquidity.

In the first nine months of 2011, the Group issued covered bonds for an amount of DKK 27.7 billion, and there is still unexploited potential in loans that can serve as collateral for covered bonds.

The Group also issued senior debt for DKK 20.9 billion in the period. A large portion of this debt was issued in April, when notes worth USD 1.9 billion, or DKK 9.8 billion, were issued under the Group's US note programme.

On 1 October 2011, the Danish central bank widened Danish banks' access to its collateralised credit facilities. The collateral basis was expanded to include banks' credit claims of good quality (banks may provide their own lending as security). The Group supports this measure to strengthen the sector's transition at the expiry of the guarantee from the Danish state and to improve the banks' access to liquidity in a difficult market but does not currently plan to use these funding facilities.

Ratings

In the first nine months of 2011, Standard & Poor's and Fitch Ratings maintained their ratings of Danske Bank at A and A+, respectively, while Moody's downgraded Danske Bank from Aa3 to A2.

At the end of September 2011, the rating agencies maintained a negative outlook on Danske Bank.

In addition to the statutory requirements for supplementary collateral, the external rating agencies require further overcollateralisation if they are to assign top ratings to mortgage bonds.

In June 2011, Realkredit Danmark terminated its collaboration with Moody's. The reason was disagreement over the fundamentals of the model used by Moody's for rating Danish mortgage bonds. In Realkredit Danmark's opinion, the overcollateralisation requirement was unnecessarily high.

The mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark are rated AAA by Standard & Poor's.

Regulation

In July 2011, the European Commission published its proposal for a major overhaul of the Capital Requirements Directive (CRD IV). The main purpose is to implement the Basel III rules in the EU. The draft directive must now be considered by the European Parliament and the Council of the European Union for the general rules to take effect in early 2013. Decisions on detailed liquidity rules, for example, will be made subsequently, and transitional rules on capital requirements will apply for a number of years.

The proposal does not appear to significantly change the capital requirements introduced by the Basel III rules. Danske Bank will thus be well prepared to meet future EU capital requirements.

As regards liquidity, the European Commission is proposing a definition of liquid assets under the short-term Liquidity Coverage Ratio (LCR) that is broader than the Basel III definition. This will allow Danish mortgage bonds to be included in the liquidity buffer in line with government bonds, for example. The final criteria for liquid assets must be determined before the LCR becomes effective as a minimum requirement in 2015. The Group finds it positive that the European Commission plans to postpone until 2016 the decision on whether to introduce long-term stable funding requirements, such as the Basel III Net Stable Funding Ratio, in 2018.

Danske Bank's Annual Report 2010 and Risk Management 2010 provide more details on the new rules and a preliminary assessment of the implications for the Group.

Executive management

Peter Straarup, Chairman of the Executive Board, reached the age of 60 this summer, and he wishes to retire in accordance with the terms of his employment contract. Consequently, the Board of Directors is initiating the process of finding a new chief executive officer. External as well as internal candidates will be considered. Peter Straarup will continue as CEO until his successor takes over.

Per Skovhus, member of the Executive Board, wishes to resign for personal reasons and will leave the Executive Board no later than 1 July 2012.

Outlook for 2011

The global economic recovery remains a substantial challenge for central banks and political systems. The expected improvement in the global economy has failed to materialise. Structural challenges in the economies of southern Europe and Ireland and a heavy budget deficit in the US are still constraining economic growth and affecting the stability of and confidence in the financial markets.

The European economies are expected to see generally lower growth in 2011 than in 2010. The Danish economy is set to grow at a slower pace than the euro zone generally, whereas the other Nordic economies are likely to see higher growth rates.

Interest rates are forecast to be generally unchanged in the remainder of 2011. Renewed financial turbulence is preventing the European Central Bank (ECB) from hiking rates any further. It may even decide to cut rates if the financial crisis worsens. The Danish central bank lowered its certificate of deposit rate twice in the third quarter of 2011. These rate changes were made to stabilise the Danish krone rather than in response to interest rate changes in the euro zone.

In May, Danske Bank raised interest rates generally by 0.25% because of monetary policy changes. When the ECB and the Danish central bank hiked rates in July, Retail Banking Denmark did not change its administratively fixed interest rates. Similarly, the Danish central bank's latest lowerings of its certificate of deposit and current account rates in August and September did not bring about any changes in the administratively fixed interest rates. But on 1 August and 20 October 2011, Retail Banking Denmark made extraordinary increases of up to 0.5% in a number of lending rates to cover higher expenses for the resolution of distressed Danish banks and higher funding costs.

Stricter requirements for supplementary collateral for mortgage-covered bonds will raise funding costs and necessitate increases in administration margins. The Group has therefore announced margin increases to take effect in 2012.

The implemented and announced initiatives are expected to boost the Group's income by about DKK 2.5 billion a year. At the release of its interim report for the first half of 2011, the Group forecast an increase in net interest income in the second half of 2011 of about DKK 500 million. Because of the two extraordinary rate increases, the Group still expects to meet this target despite the recent rate cuts from the Danish central bank and the ECB's decision not to make further rate hikes.

Expenses are estimated to be about 3% higher than in 2010 because of the unforeseen commitment to the Danish Guarantee Fund for Depositors and Investors and other one-off expenses. In the first nine months of the year, expenses for the Fund amounted to DKK 1.0 billion. Danske Bank's share is just over one third of the total sector commitment to cover the losses incurred by the Fund.

The global economic developments could contribute to making the Group's loan impairment charges higher in the fourth quarter than in the third quarter, but the figure for the full year is still expected to be lower than the 2010 figure. Despite a small decline in property prices, relatively low interest rates and slightly declining unemployment give reason to expect generally better credit quality for both personal and business customers in the remainder of 2011.

The Irish economy will continue to face structural challenges, and because of the economic climate, the level of future impairment charges is uncertain. The situation for rental property and property developers in the Northern Ireland market is also uncertain. Loan impairment charges at the units in Ireland and Northern Ireland are likely to remain high in coming quarters.

The performance of capital market activities – at Danske Markets and Danica Pension – will depend greatly on financial market trends, including the level of securities prices at the end of the year. Danica Pension's net income is expected to be substantially lower than in 2010. Depending on its performance-related fees, Danske Capital expects its profit to increase.

The Group's effective tax rate is expected to be high.

Business units

INCOME (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Retail Banking Denmark	12,305	12,872	96	4,165	4,158	3,982	4,227	4,298	17,099
Retail Banking Finland	2,657	2,564	104	891	924	842	896	852	3,460
Retail Banking Sweden	2,365	2,069	114	791	801	773	778	718	2,847
Retail Banking Norway	1,890	2,013	94	631	640	619	667	672	2,680
Banking Activities Northern Ireland	1,179	1,210	97	408	404	367	387	404	1,597
Banking Activities Ireland	769	924	83	259	252	258	284	296	1,208
Banking Activities Baltics	544	574	95	185	182	177	191	193	765
Other Banking Activities	1,647	1,576	105	539	522	586	499	477	2,075
Corporate & Institutional Banking	2,214	2,185	101	769	747	698	839	699	3,024
Total Banking Activities	25,570	25,987	98	8,638	8,630	8,302	8,768	8,609	34,755
Danske Markets and Treasury	4,470	6,116	73	-106	2,049	2,527	543	1,546	6,659
Danske Capital	1,366	1,199	114	442	453	471	674	395	1,873
Danica Pension	-407	1,461	-	-735	261	67	685	705	2,146
Other Activities	515	627	82	72	119	324	217	-8	844
Total Group	31,514	35,390	89	8,311	11,512	11,691	10,887	11,247	46,277

Banking Activities consists of the Group's banking units and Corporate & Institutional Banking (CIB). The banking units serve all types of personal customers, small businesses and medium-sized companies as well as private banking customers served at the finance centres. Mortgage finance operations in Denmark are carried out through Realkredit Danmark. Real estate agency operations are conducted by the home, Skandia Mäklarna and Fokus Krogsveen real estate agency chains. The results of the Group's property finance operations are included in the banking unit figures.

CIB is responsible for the largest and most complex companies in the Nordic countries and for the multinational companies with which the Group does Nordic banking business. The unit offers customers financial products, advisory services on mergers and acquisitions, and assistance with equity and debt issues in the international financial markets. The division into retail banking units and CIB applies to the Nordic markets, where there are specialised local CIB functions. From its northern European base, CIB supports the local Banking Activities units in providing services to the largest corporate customers and institutional clients.

Danske Markets is responsible for the Group's activities in the financial markets. Trading activities include trading in fixed-income products, foreign exchange and equities. Group Treasury is responsible for the Group's strategic fixed-income, foreign exchange and equity portfolios and serves as the Group's internal bank. Institutional banking covers facilities with international financial institutions outside the Nordic region. Facilities with Nordic financial institutions are part of Banking Activities.

Danske Capital develops and sells asset and wealth management products and services, including Wealth Management, which are marketed through the banking units and directly to businesses, institutional clients and external distributors. Danske Capital also supports the advisory and asset management activities of the banking units. Through Danske Bank International in Luxembourg, Danske Capital provides international private banking services to clients outside the Group's home markets. Danske Capital operates in Denmark, Sweden, Norway, Finland, Estonia, Lithuania and Luxembourg.

Danica Pension carries out the Group's activities in the life insurance and pensions market. Danica Pension serves both personal and business customers. Its products are marketed through a range of distribution channels within the Group, primarily banking units and Danica Pension's own insurance brokers and advisers. Danica Pension offers two market-based products: *Danica Balance* and *Danica Link*. These products allow customers to select their own investment profiles, and the return on savings depends on market trends. Danica Pension also offers *Danica Traditionel*. This product does not offer individual investment profiles, and Danica Pension sets the rate of interest on policyholders' savings.

Other Activities consists of the Group's real property activities, expenses for the Group's support functions, and eliminations, including the elimination of returns on own shares.

Capital is allocated to the individual business units on the basis of the units' share of the Group's average risk-weighted assets calculated prior to the transition to the Capital Requirements Directive. After the capital increase, the rate was increased to 7.5% of the individual business unit's average risk-weighted assets (end-2010: 5.5%).

Banking Activities

BANKING ACTIVITIES (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Net interest income	17,157	17,565	98	5,964	5,724	5,469	5,976	5,854	23,541
Net fee income	4,867	5,255	93	1,542	1,648	1,677	1,774	1,741	7,029
Net trading income	1,011	861	117	344	328	339	239	314	1,100
Other income	2,535	2,306	110	788	930	817	779	700	3,085
Total income	25,570	25,987	98	8,638	8,630	8,302	8,768	8,609	34,755
State guarantee commission (Bank Package 1)	-	1,875	-	-	-	-	-	625	1,875
Other expenses	15,264	14,740	104	4,788	5,316	5,160	5,381	4,728	20,121
Expenses	15,264	16,615	92	4,788	5,316	5,160	5,381	5,353	21,996
Profit before loan impairment charges	10,306	9,372	110	3,850	3,314	3,142	3,387	3,256	12,759
Impairment charges under the state guarantee	-	1,393	-	-	-	-	-	466	1,393
Other loan impairment charges	9,424	10,121	93	3,552	3,148	2,724	2,907	2,400	13,028
Loan impairment charges	9,424	11,514	82	3,552	3,148	2,724	2,907	2,866	14,421
Profit before tax	882	-2,142	-	298	166	418	480	390	-1,662
Loans and advances (end of period)	1,688,201	1,680,655	100	1,688,201	1,668,455	1,657,149	1,670,662	1,680,655	1,670,662
Allowance account, total (end of period)	44,486	41,888	106	44,486	41,853	38,399	40,604	41,888	40,604
Deposits (end of period)	693,624	684,019	101	693,624	690,953	698,056	696,145	684,019	696,145
Bonds issued by Realkredit Danmark (end of period)	717,175	723,575	99	717,175	699,902	695,416	728,129	723,575	728,129
Allocated capital (avg.)	84,439	67,492	125	90,383	90,011	72,926	67,114	67,700	67,396
Profit before loan impairment charges as % p.a. of allocated capital	16.3	18.5		17.0	14.7	17.2	20.2	19.2	18.9
Pre-tax profit as % p.a. of allocated capital (ROE)	1.4	-4.2		1.3	0.7	2.3	2.9	2.3	-2.5
Cost/income ratio (%)	59.7	63.9		55.4	61.6	62.2	61.4	62.2	63.3
Full-time-equivalent staff	13,538	13,531	100	13,538	13,524	13,423	13,426	13,531	13,426

- Profit before loan impairment charges up 10% to DKK 10.3 billion
- Net interest income down 2% because of narrowing lending margins
- Loan impairment charges down 18%
- Lending and deposits unchanged from the levels at the end of 2010

Market conditions

In the early months of 2011, interest rates rose in most of the Group's markets. Because of the financial crisis in the EU, however, the European Central Bank (ECB) postponed rate hikes previously expected to be made in the third quarter. The Irish and Northern Ireland economies continued to toil under considerable public budget deficits and remained under pressure.

Financial summary

At DKK 25.6 billion, total income from Banking Activities was down 2% from the level in the first nine months of 2010, mainly because of lower net interest income.

Net interest income amounted to DKK 17.2 billion, down 2% from the year-earlier level. Widening deposit margins could not offset narrowing lending margins and lower lending volumes.

At Retail Banking Denmark, net interest income fell 5% from the level in the first nine months of 2010. Higher lending rates added DKK 0.1 billion in income, but this effect was offset by narrowing lending margins and lower lending volumes.

There were also positive trends, though. At Retail Banking Sweden and Corporate & Institutional Banking, net interest income rose 16% and 7%, respectively, because of wider deposit margins. At Retail Banking Finland, net interest income was unchanged from the year-earlier level. At Banking Activities Ireland, however, net interest income fell 15% because of the suspension of interest payments, narrowing lending margins and lower lending volumes.

Net interest income was squeezed further by changes in the allocation of funding costs for lending and deposit activities that took effect on 1 January 2011.

In the third quarter of 2011, net interest income rose 4% from the second-quarter level. All business units contributed to the rise except Banking Activities Ireland. Retail Banking Denmark in particular lifted net interest income as higher lending rates generated higher earnings.

Concern about the global economy is keeping funding costs in the banking sector high. Retail Banking Denmark therefore raised lending rates again on 20 October 2011.

Total expenses declined 8% from the year-earlier level, mainly because of the expiry of Bank Package 1. Adjusted for this factor, severance payments and other one-off expenses, expenses rose 3% owing primarily to IT costs, marketing costs and general increases in wages and prices.

Loan impairment charges dropped 18% from the year-earlier level. The positive trend continued in most of the Group's core markets. Impairment charges at Retail Banking Denmark also reflected a compensation of DKK 0.8 billion deriving from the termination of a credit insurance contract covering potential losses on certain types of lending. The Irish and Northern Ireland banking units still posted substantial charges, however, because of the persistently difficult market conditions.

Impairment charges in the third quarter rose 13% from the level in the second quarter primarily because of higher charges relating to commercial property, agricultural and personal customer exposures in Denmark. The Irish and Northern Ireland banking units continued to suffer under the tough market conditions, with charges relating mainly to the commercial property segment. At the Group's other banking units, impairment charges remained low.

Total deposits remained at the end-2010 level and amounted to DKK 694 billion at 30 September 2011.

Operations

The Group has launched initiatives aimed at improving earnings and ensuring that its business model creates value even in times of low economic growth. A key measure is wider lending margins to compensate for increasing capital, liquidity and funding costs. The results are beginning to show at Retail Banking Denmark.

The Group continues to invest heavily in digital technology to drive product innovation, focusing on usability and increased accessibility for customers. For example, since September 2010, the Group has introduced a mobile banking application for smartphones in its Nordic and Irish markets. The customer response to mobile banking has been positive.

The Group continues to meet customer needs for more flexibility and has developed an online banking solution for the iPad. It will be launched in the Nordic markets in November 2011 and subsequently in the Group's other markets.

Macroeconomic outlook

Most of the Group's markets saw improved economic conditions in the first six months of 2011. Conditions became more difficult over the summer, however, when financial and economic uncertainty increased considerably.

The ECB raised its key lending rates in April and July 2011, and the Danish central bank followed suit. In the autumn of 2011, the Danish central bank then lowered interest rates on two occasions. The central banks in Norway and Sweden also hiked interest rates. There are no indications of further rate changes in 2011, though.

Recent data on house prices in Denmark show a fall in prices in the first nine months of 2011. The fall is likely to continue during the rest of the year. The same trend is expected in Ireland and Northern Ireland. Swedish and Finnish house prices are forecast to be virtually unchanged, while prices in Norway are likely to continue upwards.

MARKET SHARE OF LENDING (%)	30 September 2011	30 September 2010
Denmark, including mortgage loans	28.8	28.0
Finland	11.9	12.1
Sweden	5.7	5.6
Norway	5.3	5.4
Ireland	3.2	3.0

MARKET SHARE OF DEPOSITS (%)	30 September 2011	30 September 2010
Denmark	30.9	29.4
Finland	12.6	13.2
Sweden	5.0	5.1
Norway	5.1	4.9
Ireland	2.5	2.1

Danske Markets and Treasury

DANSKE MARKETS AND TREASURY (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Total income	4,470	6,116	73	-106	2,049	2,527	543	1,546	6,659
Expenses	1,968	1,979	99	544	682	742	645	638	2,624
Profit before loan impairment charges	2,502	4,137	60	-650	1,367	1,785	-102	908	4,035
Loan impairment charges	-981	-683	-	-750	-396	165	66	221	-617
Profit before tax	3,483	4,820	72	100	1,763	1,620	-168	687	4,652
Due from credit institutions and repo loans (end of period)	300,496	384,467	78	300,496	340,381	349,064	396,581	384,467	396,581
Loans and advances (end of period)	46,407	40,847	114	46,407	40,671	42,602	48,665	40,847	48,665
Allowance account, total (end of period)	2,518	4,202	60	2,518	2,583	2,916	2,954	4,202	2,954
Net trading and investment portfolio (end of period)	442,221	344,628	128	442,221	408,688	357,452	350,990	344,628	350,990
Deposits (end of period)	96,768	81,491	119	96,768	101,854	97,840	102,777	81,491	102,777
Allocated capital (avg.)	8,279	4,822	172	10,435	8,303	6,099	5,383	5,597	4,964
Profit before loan impairment charges as % p.a. of allocated capital	40.3	114.4		-24.9	65.9	117.1	-7.6	64.9	81.3
Pre-tax profit as % p.a. of allocated capital (ROE)	56.1	133.3		3.8	84.9	106.2	-12.5	49.1	93.7
Cost/income ratio (%)	44.0	32.4		-	33.3	29.4	118.8	41.3	39.4

TOTAL INCOME (DKK millions)									
Danske Markets	3,877	5,206	74	218	1,389	2,270	738	1,447	5,944
Group Treasury	593	910	65	-324	660	257	-195	99	715
Total Danske Markets and Treasury	4,470	6,116	73	-106	2,049	2,527	543	1,546	6,659

- Lower net trading income because of difficult market conditions
- Reduction of market risks
- Customer activity still strong

Profit before tax at Danske Markets was DKK 3.5 billion, down 28% from the level in the first nine months of 2010. Lower net trading income and earnings from investment portfolios in the third quarter of 2011 were the main reasons for the decline. Net trading income was satisfactory in the first two quarters of the period but suffered from the global financial turmoil in the third. As a result of the market conditions, financial players' risk tolerance declined. This led to lower interest rates, higher volatility and less liquidity in the interbank markets. The lack of liquidity in particular made it more expensive for banks to fund their activities.

The high volatility did not allow market makers to maintain the high earnings of the preceding quarters, but during this difficult period Danske Markets continued to provide liquidity and risk-hedging facilities to customers.

Danske Markets estimates that both its market share and customer satisfaction have risen.

Danske Markets' exposure to southern European government bonds was extremely limited in the period, and the effect on the results was equally limited.

Group Treasury's earnings from investment portfolios fell from DKK 0.9 billion in the first nine months of 2010 to DKK 0.6 billion. The unit's income reflects a decline in the unrealised capital gain on Danske Bank's shareholding in Nets Holding A/S from DKK 0.7 billion in the same period last year to DKK 0.3 billion. The tough market conditions combined with higher funding costs also had an adverse effect on net trading income.

Loan impairment charges saw a DKK 1.0 billion reversal of previously recognised charges relating to Lehman Brothers, among others, against a net reversal of DKK 0.7 billion in the same period a year earlier.

The Group's average VaR (10-day horizon, confidence level of 95%) was DKK 274 million in the period, against DKK 346 million in the year-earlier period. As a result of greater uncertainty in the markets, Danske Markets actively reduced its risk. At 30 September 2011, the VaR was DKK 86 million, against DKK 163 million at 30 June 2011.

Danske Capital

DANSKE CAPITAL (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Net interest income	88	94	94	33	28	27	26	25	120
Net fee income	1,229	1,074	114	399	410	420	633	360	1,707
Other income	49	31	158	10	15	24	15	10	46
Total income	1,366	1,199	114	442	453	471	674	395	1,873
Expenses	780	702	111	230	283	267	338	222	1,040
Profit before loan impairment charges	586	497	118	212	170	204	336	173	833
Loan impairment charges	-47	4	-	-	1	-48	9	-4	13
Profit before tax	633	493	128	212	169	252	327	177	820
Loans and advances (end of period)	6,266	6,195	101	6,266	6,293	6,356	6,450	6,195	6,450
Allowance account, total (end of period)	161	293	55	161	163	160	211	293	211
Deposits (end of period)	6,584	6,073	108	6,584	6,424	6,075	5,869	6,073	5,869
Allocated capital (avg.)	302	305	99	319	315	273	250	277	291
Cost/income ratio (%)	57.1	58.5		52.0	62.5	56.7	50.1	56.2	55.5
Assets under management (DKK billions)	587	590	99	587	603	598	602	590	602

- Profit before loan impairment charges up 18%
- Total income up 14% owing to higher average assets under management and wider margins
- Positive net sales to institutional customers continued
- Nordic market position strengthened

Total income at Danske Capital rose 14% to DKK 1.4 billion, up from DKK 1.2 billion a year earlier. Asset Management and International Private Banking at Danske Bank International Luxembourg contributed to the rise through an increase in average assets under management and wider margins.

Expenses were up 11% because of higher performance-based compensation and extra work on the migration of Danske Invest to the shared Danske Bank IT platform.

At 30 September 2011, assets under management totalled DKK 587 billion, on a par with the year-earlier level. Net sales to institutional and retail banking customers amounted to DKK 14 billion. In the period up to 30 September 2011, however, financial market trends led to negative market value adjustments of DKK 29 billion.

Of the net sales of DKK 14 billion, institutional customers accounted for DKK 11 billion and retail banking customers for DKK 3 billion. In the third quarter of 2011, sales slowed down because of financial market trends, and this led to negative net sales to retail banking customers of DKK 4 billion. Net sales to institutional customers remained positive at DKK 4 billion.

At 30 September 2011, Danske Capital's market share of the Nordic unit trust market was 11.9%. This is an increase of 0.7% of a percentage point from the end-2010 figure.

Danske Capital's unit trust business posted above-benchmark returns on 46% of its funds. Of the bond-based funds, 37% delivered above-benchmark returns, and for equity-based funds, the figure was 50%.

Danica Pension

DANICA PENSION (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Danica Traditionel	822	837	98	275	283	264	289	282	1,126
Unit-linked business	245	209	117	66	89	90	118	72	327
Health and accident business	33	-15	-	21	13	-1	96	-3	81
Return on investments	345	828	42	199	125	21	-29	308	799
Financing result	-126	-98	-	-48	-45	-33	-32	-31	-130
Special allotment	-150	-300	-	-25	-62	-63	-341	-100	-641
Change in shadow account	-1,576	-	-	-1,223	-142	-211	584	177	584
Net income from insurance business	-407	1,461	-	-735	261	67	685	705	2,146
Premiums, insurance contracts	14,951	13,529	111	4,786	4,973	5,192	4,842	4,638	18,371
Premiums, investment contracts	5,049	4,200	120	1,016	2,076	1,957	1,578	910	5,778
Provisions, insurance contracts	236,708	237,997	99	236,708	233,336	232,363	233,062	237,997	233,062
Provisions, investment contracts	22,302	20,315	110	22,302	24,770	23,990	22,397	20,315	22,397
Customer funds, investment assets									
Danica Traditionel	185,849	197,663	94	185,849	182,456	183,280	188,057	197,663	188,057
Danica Balance	25,527	19,161	133	25,527	25,410	23,313	21,752	19,161	21,752
Danica Link	42,622	41,032	104	42,622	46,438	45,655	44,509	41,032	44,509
Allocated capital (avg.)	6,800	5,614	121	8,778	5,822	5,800	6,085	5,865	5,732
Net income as % p.a. of allocated capital	-8.0	34.7		-33.5	17.9	4.6	45.0	48.1	37.4

- Loss of DKK 0.4 billion on insurance business
- Total premiums up 13% to DKK 20.0 billion
- Expense ratio continued to decline

The Group's insurance business posted a loss of DKK 0.4 billion, against a profit of DKK 1.5 billion a year earlier. The results were adversely affected since the Group had to postpone booking the risk allowances for all four interest rate groups to income and to strengthen the technical provisions because of adverse developments in the credit bond and equity markets. This strengthening of technical provisions amounted to DKK 0.7 billion. Lower investment returns also hurt the development in results.

The collective bonus potential of the interest rate groups fell to zero and amounted to DKK 0.2 billion for the cost and risk groups. Danica Pension used DKK 1.9 billion of the bonus potential of paid-up policies to cover losses and introduced a charge on policy transfers and surrenders for all interest rate groups. The paid-up policies of the two interest rate groups with the highest benefit guarantees no longer have a bonus potential that can be used to cover a negative return on investments. At 30 September 2011, the equity and credit bond exposures of these two interest rate groups totalled DKK 2.9 billion and DKK 16.8 billion, respectively. Further losses on credit bonds and equities will necessitate a further extraordinary strengthening of technical provisions and thus additional transfers to the shadow account.

Danica Pension will be able to reverse the increase in technical provisions if it realises a positive return on investments in the fourth quarter of 2011 that exceeds the interest payable on policyholders' savings. In 2012 or later, Danica Pension will be able to book the deferred risk allowance to income and reverse any extraordinary strengthening of technical provisions outstanding at 31 December 2011 if it realises results for each of the interest rate groups that are sufficiently positive, also to restore the bonus potential of paid-up policies.

The return on assets allocated to equity and to the health and accident business was 2.0%. At 30 September 2011, the equity and credit bond exposure from these assets amounted to DKK 1.8 billion. The return on customer funds in *Danica Traditionel* was 4.5%, while the return including changes in technical provisions stood at 0.4%. The return on the market-based products, *Danica Balance* and *Danica Link*, was a loss of DKK 3.7 billion, or an average rate of return of -7.4%.

The third quarter results thus suffered from the turmoil in the financial markets. During the period, Danica Pension reduced the risk on the equity and credit bond investments of customer funds in *Danica Traditionel* and adjusted its interest rate exposure.

At 30 September 2011, Danica Pension's exposure to government bonds included DKK 5.5 billion in bonds issued by Italy, DKK 1.7 billion in bonds issued by Spain and DKK 0.4 billion in bonds issued by Ireland. The two interest rate groups with the highest benefit guarantees accounted for DKK 3.0 billion of this exposure, and the health and accident business, which also affects the return on investments, accounted for DKK 0.2 billion of the exposure. Danica Pension had no exposure to government bonds issued by Greece or Portugal.

Net income included a DKK 150 million special allotment payable to certain policyholders of the former Statsanstalten for Livsforsikring (Annual Report 2010 provides further information). The amount for the full year will depend on developments in Danica Pension's net income and business volume, including changes in the shadow account.

The volume of unit-linked business increased, resulting in an improvement of the technical result over the year-earlier figure. The health and accident result improved because of a positive run-off on claims. The technical result for the unit-linked business decreased in the third quarter, primarily because of a lower risk result in Norway.

Total expenses were just above the level in the first nine months of 2010, with lower expenses in Denmark and higher acquisition costs in Sweden. Expenses as a percentage of premiums fell from 5.1% to 4.7%.

Total premiums rose 13% to DKK 20.0 billion. In Denmark, premiums rose 14%, primarily because of new business schemes. Premiums for market-based products in Denmark rose 29%.

Other Activities

OTHER ACTIVITIES (DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
Net interest income	110	115	96	19	33	58	67	-39	182
Net fee income	-16	-26	-	-3	-9	-4	-11	-6	-37
Net trading income	159	4	-	19	54	86	-95	36	-91
Other income	262	534	49	37	41	184	256	1	790
Total income	515	627	82	72	119	324	217	-8	844
Expenses	1,516	257	-	-63	397	1,182	93	81	350
Profit before loan impairment charges	-1,001	370	-	135	-278	-858	124	-89	494
Loan impairment charges	-	-	-	-	-	-	-	-	-
Profit before tax	-1,001	370	-	135	-278	-858	124	-89	494
PROFIT BEFORE TAX (DKK millions)									
Real property	205	251	82	74	80	51	32	42	283
Own shares	252	19	-	94	99	59	-103	32	-84
Other, including Group support functions	-1,458	100	-	-33	-457	-968	195	-163	295
Total Other Activities	-1,001	370	-	135	-278	-858	124	-89	494

Other Activities consists of the Group's real property activities, support functions and eliminations, including the elimination of returns on own shares and bonds.

Other Activities posted a loss before tax of DKK 1.0 billion, against a profit before tax of DKK 0.4 billion in the first nine months of 2010. The decline was caused mainly by the commitment to the Danish Guarantee Fund for Depositors and Investors recognised in the first nine months of 2011.

The Group's real property activities posted a profit of DKK 205 million, down DKK 46 million from the year-earlier figure. The main reasons for the decline were a drop in rental income and higher maintenance costs.

The elimination of returns on own shares led to income of DKK 252 million in the first nine months of 2011, against DKK 19 million in the year-earlier period.

Other income stood at DKK 0.3 billion, against DKK 0.5 billion a year earlier. It consisted mainly of a refund of excess VAT and financial services employer tax paid in previous periods.

Expenses totalled DKK 1.5 billion in the first nine months of 2011, against DKK 0.3 billion a year earlier. The increase was caused primarily by the DKK 1.0 billion commitment to the Fund.

Amagerbanken A/S's bankruptcy caused an estimated expense of DKK 850 million in the first quarter of 2011. A subsequent revaluation of the assets and liabilities of Amagerbanken A/S under bankruptcy allowed an increase in the dividend percentage. The increase resulted in additional interim dividends of DKK 172 million in the second quarter and DKK 355 million in the third quarter of 2011. The estimated commitment for the first nine months of 2011 thus totalled DKK 323 million.

Fjordbank Mors A/S's bankruptcy resulted in a commitment to the Fund of an estimated DKK 467 million in the second quarter of 2011.

The resolution of Max Bank A/S under Bank Package 4 resulted in a commitment to the Fund of an estimated DKK 172 million in the third quarter of 2011.

Expenses also rose because of severance payments and a DKK 113 million adjustment of write-downs of the assets of a temporarily acquired company.

Income statement – Danske Bank Group

(DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Q3 2011	Q3 2010	Full year 2010
Interest income	60,042	60,101	21,045	19,515	79,625
Interest expense	35,708	32,812	12,838	10,796	43,642
Net interest income	24,334	27,289	8,207	8,719	35,983
Fee income	8,767	8,508	2,753	2,850	11,803
Fee expenses	3,027	2,644	925	858	3,714
Net trading income	-7,092	4,536	-9,195	2,816	5,984
Other income	3,714	3,622	947	1,124	4,798
Net premiums	14,848	13,374	4,788	4,599	18,253
Net insurance benefits	8,955	19,063	-2,103	7,533	26,172
Income from associated undertakings	164	38	65	-25	84
Profit on sale of associated and group undertakings	15	659	2	-	659
Staff costs and administrative expenses	18,229	18,018	5,138	5,943	24,014
Amortisation, depreciation and impairment charges	2,553	2,464	795	796	3,397
Profit before loan impairment charges	11,986	15,837	2,812	4,953	20,267
Loan impairment charges	8,396	10,835	2,802	3,083	13,817
Profit before tax	3,590	5,002	10	1,870	6,450
Tax	2,067	2,409	394	983	2,786
Net profit for the period	1,523	2,593	-384	887	3,664

Portion attributable to					
shareholders of Danske Bank A/S (the Parent Company)	1,511	2,593	-384	887	3,661
non-controlling interests	12	-	-	-	3
Net profit for the period	1,523	2,593	-384	887	3,664
Earnings per share (DKK)	1.8	3.5	-0.4	1.2	4.9
Diluted earnings per share (DKK)	1.8	3.5	-0.4	1.2	4.9
Proposed dividend per share (DKK)	-	-	-	-	-

Share ratios covering the first quarter of 2011 and previous periods have been divided by a factor of 1.0807 to reflect the share capital increase in April 2011.

Statement of comprehensive income – Danske Bank Group

(DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Q3 2011	Q3 2010	Full year 2010
Net profit for the period	1,523	2,593	-384	887	3,664
Other comprehensive income					
Translation of units outside Denmark	-295	843	361	-441	1,009
Hedging of units outside Denmark	173	-851	-385	450	-961
Unrealised value adjustments of available-for-sale financial assets	-453	-10	-198	73	-145
Realised value adjustments of available-for-sale financial assets	17	69	4	38	44
Tax on other comprehensive income	67	174	131	-120	242
Total other comprehensive income	-491	225	-87	-	189
Total comprehensive income for the period	1,032	2,818	-471	887	3,853

Portion attributable to					
shareholders of Danske Bank A/S (the Parent Company)	1,020	2,818	-471	887	3,850
non-controlling interests	12	-	-	-	3
Total comprehensive income for the period	1,032	2,818	-471	887	3,853

Balance sheet – Danske Bank Group

(DKK millions)	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
ASSETS			
Cash in hand and demand deposits with central banks	19,663	35,403	21,645
Due from credit institutions and central banks	145,300	228,100	218,533
Trading portfolio assets	911,584	641,993	810,111
Investment securities	108,465	118,556	119,685
Loans and advances at amortised cost	1,135,217	1,146,731	1,138,322
Loans at fair value	713,497	701,715	707,712
Assets under pooled schemes and unit-linked investment contracts	58,762	59,698	57,213
Assets under insurance contracts	225,568	217,515	220,524
Holdings in associated undertakings	1,069	1,040	989
Intangible assets	22,357	22,936	23,079
Investment property	4,622	4,799	5,170
Tangible assets	7,064	7,861	8,103
Current tax assets	1,379	1,404	1,529
Deferred tax assets	1,774	1,693	1,835
Other assets	24,703	24,442	26,666
Total assets	3,381,024	3,213,886	3,361,116
LIABILITIES			
Due to credit institutions and central banks	373,622	317,988	314,513
Trading portfolio liabilities	677,319	478,386	658,039
Deposits	888,638	861,053	827,771
Bonds issued by Realkredit Danmark	534,245	555,486	563,519
Deposits under pooled schemes and unit-linked investment contracts	65,181	67,277	63,218
Liabilities under insurance contracts	240,519	238,132	242,917
Other issued bonds	359,022	450,219	447,277
Current tax liabilities	474	858	680
Deferred tax liabilities	6,587	6,003	5,350
Other liabilities	39,688	56,406	54,745
Subordinated debt	70,059	77,336	79,578
Total liabilities	3,255,354	3,109,144	3,257,607
SHAREHOLDERS' EQUITY			
Share capital	9,317	6,988	6,988
Foreign currency translation reserve	-258	-136	-192
Reserve for available-for-sale financial assets	-1,766	-1,330	-1,170
Retained earnings	118,322	99,205	97,883
Proposed dividends	-	-	-
Shareholders of Danske Bank A/S (the Parent Company)	125,615	104,727	103,509
Non-controlling interests	55	15	-
Total shareholders' equity	125,670	104,742	103,509
Total liabilities and equity	3,381,024	3,213,886	3,361,116

Statement of capital – Danske Bank Group

(DKK millions)

Changes in shareholders' equity

	Shareholders of Danske Bank A/S (the Parent Company)							
	Share capital	Foreign currency translation reserve	Reserve for available-for-sale assets	Retained earnings	Proposed dividends	Total	Non-controlling interests	Total
Shareholders' equity at 1 January 2011	6,988	-136	-1,330	99,205	-	104,727	15	104,742
Net profit for the period	-	-	-	1,511	-	1,511	12	1,523
Other comprehensive income								
Translation of units outside Denmark	-	-295	-	-	-	-295	-	-295
Hedging of units outside Denmark	-	173	-	-	-	173	-	173
Unrealised value adjustments of available-for-sale financial assets	-	-	-453	-	-	-453	-	-453
Realised value adjustments of available-for-sale financial assets	-	-	17	-	-	17	-	17
Tax on other comprehensive income	-	-	-	67	-	67	-	67
Total other comprehensive income	-	-122	-436	67	-	-491	-	-491
Total comprehensive income for the period	-	-122	-436	1,578	-	1,020	12	1,032
Transactions with owners								
Share capital increase	2,329	-	-	17,703	-	20,032	-	20,032
Share offering costs	-	-	-	-271	-	-271	-	-271
Acquisition of own shares	-	-	-	-13,684	-	-13,684	-	-13,684
Sale of own shares	-	-	-	13,762	-	13,762	-	13,762
Share-based payments	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	28	28
Tax on entries on shareholders' equity	-	-	-	29	-	29	-	29
Shareholders' equity at 30 September 2011	9,317	-258	-1,766	118,322	-	125,615	55	125,670
Shareholders' equity at 1 January 2010	6,988	-184	-1,229	95,084	-	100,659	-	100,659
Net profit for the period	-	-	-	2,593	-	2,593	-	2,593
Other comprehensive income								
Translation of units outside Denmark	-	843	-	-	-	843	-	843
Hedging of units outside Denmark	-	-851	-	-	-	-851	-	-851
Unrealised value adjustments of available-for-sale financial assets	-	-	-10	-	-	-10	-	-10
Realised value adjustments of available-for-sale financial assets	-	-	69	-	-	69	-	69
Tax on other comprehensive income	-	-	-	174	-	174	-	174
Total other comprehensive income	-	-8	59	174	-	225	-	225
Total comprehensive income for the period	-	-8	59	2,767	-	2,818	-	2,818
Transactions with owners								
Acquisition of own shares	-	-	-	-14,649	-	-14,649	-	-14,649
Sale of own shares	-	-	-	14,694	-	14,694	-	14,694
Share-based payments	-	-	-	9	-	9	-	9
Tax on entries on shareholders' equity	-	-	-	-22	-	-22	-	-22
Shareholders' equity at 30 September 2010	6,988	-192	-1,170	97,883	-	103,509	-	103,509

For as long as the Danish state holds hybrid capital in Danske Bank and guarantees bond issues, Danske Bank may distribute dividends if such dividends can be paid in full out of the net profit.

	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
Share capital (DKK)	9,317,390,340	6,988,042,760	6,988,042,760
Number of shares	931,739,034	698,804,276	698,804,276
Number of shares outstanding	926,396,658	748,151,246	748,115,037
Average number of shares outstanding for the period	863,253,687	747,892,756	747,793,182
Average number of shares outstanding, including dilutive shares, for the period	863,253,687	747,892,756	747,793,182

The number of shares outstanding, the average number of shares outstanding for the period, and the average number of shares outstanding, including dilutive shares, for the period have been adjusted for the share capital increase in April 2011.

Statement of capital – Danske Bank Group

(DKK millions)	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
Capital base and total capital ratio			
Shareholders' equity	125,670	104,742	103,509
Revaluation of domicile property	1,264	1,253	1,284
Pension obligations at fair value	-213	-73	-1,434
Tax effect	110	2	463
Non-controlling interests	2,991	3,002	3,002
Shareholders' equity calculated in accordance with the rules of the Danish FSA	129,822	108,926	106,824
Expected dividends	-500	-	-
Intangible assets of banking operations	-22,215	-22,666	-22,813
Deferred tax assets	-1,665	-1,548	-2,025
Deferred tax on intangible assets	969	1,069	1,132
Revaluation of real property	-677	-675	-747
Core tier 1 capital	105,734	85,106	82,371
Hybrid capital	41,909	42,208	41,996
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,120	-2,422	-2,632
Other statutory deductions	-	-55	-
Total tier 1 capital	143,523	124,837	121,735
Subordinated debt, excluding hybrid capital	20,629	26,710	26,736
Hybrid capital	-	-	-
Revaluation of real property	677	675	747
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,120	-2,422	-2,632
Other statutory deductions	-	-55	-
Capital base	160,709	149,745	146,586
Risk-weighted assets	894,790	844,209	843,435
Core tier 1 capital ratio (%)	11.8	10.1	9.8
Tier 1 capital ratio (%)	16.0	14.8	14.4
Total capital ratio (%)	18.0	17.7	17.4

The total capital and tier 1 capital ratios have been calculated in accordance with the Capital Requirements Directive. Risk-weighted assets calculated under the Basel I rules amounted to DKK 1,413,211 million at 30 September 2011 (31 December 2010: DKK 1,359,397 million). The solvency need, calculated on the basis of the transitional rules, was DKK 90,446 million, equal to 80% of the capital requirement of 8% of risk-weighted assets (31 December 2010: DKK 87,001 million).

Cash flow statement – Danske Bank Group

(DKK millions)	Q1-Q3 2011	Q1-Q3 2010	Full year 2010
Cash flow from operations			
Net profit for the period	1,523	2,593	3,664
Adjustment for non-cash operating items	12,520	13,104	12,381
Change in working capital	-124,857	1,315	24,220
Total	-110,814	17,012	40,265
Cash flow from investing activities			
Acquisition/sale of businesses	19	-	-
Acquisition/sale of own shares	78	45	121
Acquisition of intangible assets	-322	-245	-362
Acquisition/sale of tangible assets	-156	-1,128	-372
Total	-381	-1,328	-613
Cash flow from financing activities			
Changes in subordinated debt and hybrid capital	-7,873	-4,226	-4,848
Dividends	-	-	-
Share capital increase	19,761	-	-
Change in non-controlling interests	40	-	15
Total	11,928	-4,226	-4,833
Cash and cash equivalents at 1 January	260,607	225,788	225,788
Change in cash and cash equivalents	-99,267	11,458	34,819
Cash and cash equivalents, end of period	161,340	237,246	260,607

Notes – Danske Bank Group

Note

1 **Significant accounting policies**

The Danske Bank Group's interim report for the first nine months of 2011 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of listed financial institutions.

The Group has not changed its significant accounting policies from those followed in Annual Report 2010, which provides a full description of the Group's significant accounting policies. The Group has made changes to note disclosures to comply with IAS 34 as amended by the IASB's Improvements to IFRSs 2010.

Critical accounting policies and estimates

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the Group's consolidated financial statements. The estimates and assumptions that are deemed critical to the consolidated financial statements are

- the fair value measurement of financial instruments
- the measurement of loans and advances
- the measurement of goodwill
- the measurement of liabilities under insurance contracts and the net obligation for defined benefit pension plans
- the recognition of deferred tax assets

The estimates and assumptions are based on premises that management finds reasonable but are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values.

Fair value measurement of financial instruments

Measurements of financial instruments based on prices quoted in an active market or based on generally accepted models employing observable market data are not subject to critical estimates. Measurements of financial instruments that are only to a limited extent based on observable market data, such as unlisted shares and certain bonds for which there is no active market, are subject to estimates.

Measurement of loans and advances

The Group makes impairment charges to account for any impairment of loans and advances that occurs after initial recognition. Impairment charges consist of individual and collective charges and rely on a number of estimates, including identification of loans or portfolios of loans with objective evidence of impairment, expected future cash flows and the value of collateral.

Measurement of goodwill

Goodwill on acquisition is tested for impairment at least once a year. Impairment testing requires management to estimate future cash flows from acquired units. A number of factors affect the value of such cash flows, including discount rates, changes in the real economy, customer behaviour and competition.

Measurement of liabilities under insurance contracts and the net obligation for defined benefit pension plans

The calculation of liabilities under insurance contracts and the net obligation for defined benefit pension plans is based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates and salary increases. The liabilities are also affected by the discount rate.

Recognition of deferred tax assets

Deferred tax assets arising from unused tax losses are recognised to the extent that such losses can be offset against tax on future profit. Recognition of deferred tax assets requires management to assess the probability and amount of future taxable profit at units with unused tax losses.

Annual Report 2010 and Risk Management 2010 provide a detailed description of the Group's significant risks and the external factors that may affect the Group. Risk Management 2010 is not covered by the statutory audit.

Standards and interpretations not yet in force

The IASB has issued a number of amendments to International Financial Reporting Standards that have not yet come into force. The paragraphs below list the standards that are likely to affect the Group's financial reporting.

In October 2010, the IASB issued an amended IFRS 9, Financial Instruments. This version is the first part of a standard expected to replace the requirements of IAS 39 in 2012. The amended IFRS 9 now includes principles on classification and derecognition of financial instruments, while the next parts will contain principles to govern impairment, hedge accounting and offsetting of financial assets and liabilities. The transitional rules adopted in the amended IFRS 9 imply implementation of the standard by 2013. A postponement of the implementation deadline to 2015 is currently under consideration, however. The EU has decided to postpone adoption of the amended IFRS 9 until the details of the entire standard are known.

The Group does not expect the amended IFRS 9 to materially affect the measurement of its financial instruments, although the standard does not allow classification of bonds as available-for-sale assets. Such instruments are measured at amortised cost or fair value through profit or loss. Meaningful classification of financial assets is not possible without information about the future parts of IFRS 9 to clarify the overall accounting effects of the standard.

The IASB ended its project on consolidation in May 2011 by issuing a number of new International Financial Reporting Standards (IFRS 10, IFRS 11 and IFRS 12) and revised standards (IAS 27 and IAS 28). The IASB has established a uniform definition of control to be used for determining whether an entity should be consolidated and has introduced enhanced disclosure requirements for consolidated and unconsolidated entities, joint arrangements and associated undertakings. The standards, which have not yet been adopted by the EU, must be implemented in 2013 at the latest. The Group does not expect the new requirements to significantly change its consolidation of undertakings.

Notes – Danske Bank Group

Note	
1 (cont'd)	In May 2011, the IASB issued IFRS 13, Fair Value Measurement. The standard introduces a new definition of fair value and provides guidance on how to measure and disclose fair value. IFRS 13 applies when another standard requires fair value to be used or disclosed. The standard, which has not yet been adopted by the EU, must be implemented in 2013 at the latest. The Group does not expect IFRS 13 to significantly affect its financial results.

In June 2011, the IASB issued an amended IAS 19, Employee Benefits. The amended standard eliminates the option to defer the recognition of actuarial gains and losses on defined benefit pension plans, known as the "corridor method". The present value of net pension assets and obligations must be recognised in the balance sheet instead. The amended standard, which has not yet been adopted by the EU, must be implemented in 2013 at the latest. At 30 September 2011, the new requirements would have reduced shareholders' equity by DKK 134 million (the amount deferred under the corridor method net of tax). The effect on the net profit will be immaterial, as actuarial gains and losses are recognised in other comprehensive income. Other comprehensive income and shareholders' equity items will become more volatile, though. The Statement of capital will not be affected as it is already prepared without the use of the corridor method.

Notes – Danske Bank Group

Note (DKK millions)

2 **Business segments Q1-Q3 2011**

	Banking Activities	Danske Markets and Treasury	Danske Capital	Danica Pension	Other Activities	Elimina-tions	Total	Reclassi-fication	Highlights
Net interest income	17,157	2,464	88	4,395	110	120	24,334	-6,979	17,355
Net fee income	4,867	291	1,229	-631	-16	-	5,740	340	6,080
Net trading income	1,011	1,591	47	-9,780	-92	131	-7,092	12,779	5,687
Other income	2,528	8	2	399	856	-79	3,714	-915	2,799
Net premiums	-	-	-	14,848	-	-	14,848	-14,848	-
Net insurance benefits	-	-	-	8,955	-	-	8,955	-8,955	-
Income from equity investments	7	116	-	34	21	1	179	-179	-
Net income from insurance business	-	-	-	-	-	-	-	-407	-407
Total income	25,570	4,470	1,366	310	879	173	32,768	-1,254	31,514
Expenses	15,264	1,968	780	717	2,132	-79	20,782	-1,254	19,528
Profit before loan impairment charges	10,306	2,502	586	-407	-1,253	252	11,986	-	11,986
Loan impairment charges	9,424	-981	-47	-	-	-	8,396	-	8,396
Profit before tax	882	3,483	633	-407	-1,253	252	3,590	-	3,590
Loans and advances, excluding reverse transactions	1,649,585	43,889	6,127	-	12,801	-18,884	1,693,518	-	1,693,518
Other assets	473,658	5,645,488	16,755	283,505	341,608	-5,073,508	1,687,506	-	1,687,506
Total assets	2,123,243	5,689,377	22,882	283,505	354,409	-5,092,392	3,381,024	-	3,381,024
Deposits, excluding repo deposits	693,624	96,768	6,584	-	4,528	-12,583	788,921	-	788,921
Other liabilities	1,345,180	5,584,330	15,996	276,705	324,031	-5,079,809	2,466,433	-	2,466,433
Allocated capital	84,439	8,279	302	6,800	25,850	-	125,670	-	125,670
Total liabilities and equity	2,123,243	5,689,377	22,882	283,505	354,409	-5,092,392	3,381,024	-	3,381,024
Internal income	-1,186	12,951	75	348	-12,188	-	-		
Amortisation and depreciation charges	1,774	4	29	-	633	-	2,440		
Impairment charges for intangible and tangible assets	-	-	-	-	113	-	113		
Reversals of impairment charges	-	-	-	-	-	-	-		
Pre-tax profit as % p.a. of allocated capital (avg.)	1.4	56.1	279.5	-8.0	-6.5	-	3.8		
Cost/income ratio (%)	59.7	44.0	57.1	231.3	242.5	-	63.4		
Full-time-equivalent staff (avg.)	13,482	856	547	842	5,771	-	21,498		

In its financial highlights, the Group recognises earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. Other income includes earnings contributed by fully consolidated subsidiaries taken over by the Group under non-performing loan agreements and held for sale. The Reclassification column shows the adjustments made to the detailed figures in the calculation of the highlights.

Internal income and expenses are allocated to the individual segments on an arm's-length basis. The funding costs for lending and deposit activities are allocated on the basis of a maturity analysis of loans and deposits, interbank rates and funding spreads and depend on financial market trends. The Group changed its allocation of costs at 1 January 2011 to better reflect the duration of loans and deposits. The change affects only the allocation between segments and the highlights.

Capital is allocated to Other Activities at a rate of 7.5% of its average risk-weighted assets (31 December 2010: 5.5%). The allocation is based on the business unit's share of the Group's average risk-weighted assets calculated prior to the transition to the Capital Requirements Directive.

Notes – Danske Bank Group

Note (DKK millions)

2 (cont'd)

Business segments Q1-Q3 2010

	Banking Activities	Danske Markets and Treasury	Danske Capital	Danica Pension	Other Activities	Elimina-tions	Total	Reclassi-fication	Highlights
Net interest income	17,565	4,616	94	4,761	113	140	27,289	-9,515	17,774
Net fee income	5,255	107	1,074	-546	-26	-	5,864	439	6,303
Net trading income	861	690	24	3,095	-15	-119	4,536	2,469	7,005
Other income	2,306	18	5	568	774	-49	3,622	-775	2,847
Net premiums	-	-	-	13,374	-	-	13,374	-13,374	-
Net insurance benefits	-	-	-	19,063	-	-	19,063	-19,063	-
Income from equity investments	-	685	2	6	6	-2	697	-697	-
Net income from insurance business	-	-	-	-	-	-	-	1,461	1,461
Total income	25,987	6,116	1,199	2,195	852	-30	36,319	-929	35,390
Expenses	16,615	1,979	702	734	501	-49	20,482	-929	19,553
Profit before loan impairment charges	9,372	4,137	497	1,461	351	19	15,837	-	15,837
Loan impairment charges	11,514	-683	4	-	-	-	10,835	-	10,835
Profit before tax	-2,142	4,820	493	1,461	351	19	5,002	-	5,002
Loans and advances, excluding reverse transactions	1,644,880	36,724	5,922	-	3,466	-10,892	1,680,100	-	1,680,100
Other assets	482,598	5,580,833	16,615	282,603	174,689	-4,856,322	1,681,016	-	1,681,016
Total assets	2,127,478	5,617,557	22,537	282,603	178,155	-4,867,214	3,361,116	-	3,361,116
Deposits, excluding repo deposits	684,019	81,491	6,073	-	-	-8,069	763,514	-	763,514
Other liabilities	1,375,967	5,531,244	16,159	276,989	152,879	-4,859,145	2,494,093	-	2,494,093
Allocated capital	67,492	4,822	305	5,614	25,276	-	103,509	-	103,509
Total liabilities and equity	2,127,478	5,617,557	22,537	282,603	178,155	-4,867,214	3,361,116	-	3,361,116
Internal income	2,339	9,993	82	1,663	-14,077	-	-		
Amortisation and depreciation charges	1,767	3	30	-	650	-	2,450		
Impairment charges for intangible and tangible assets	-	-	-	-	14	-	14		
Reversals of impairment charges	-	-	-	-	-	-	-		
Pre-tax profit as % p.a. of allocated capital (avg.)	-4.2	133.3	215.5	34.7	1.9	-	6.4		
Cost/income ratio (%)	63.9	32.4	58.5	33.4	58.8	-	56.4		
Full-time-equivalent staff (avg.)	13,748	820	539	898	5,877	-	21,882		

Notes – Danske Bank Group

Note (DKK millions)

3 **Banking Activities Q1-Q3 2011**

	Retail Banking				Banking Activities					
	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	CIB	Total
Net interest income	9,097	1,531	1,754	1,149	845	686	363	249	1,483	17,157
Net fee income	2,400	741	452	187	231	48	109	95	604	4,867
Net trading income	465	73	104	82	95	29	65	27	71	1,011
Other income	343	312	55	472	8	6	7	1,276	56	2,535
Total income	12,305	2,657	2,365	1,890	1,179	769	544	1,647	2,214	25,570
Expenses	6,523	2,371	1,256	1,358	842	532	264	1,305	813	15,264
Profit before loan impairment charges	5,782	286	1,109	532	337	237	280	342	1,401	10,306
Loan impairment charges	2,649	57	47	271	1,654	4,711	-156	96	95	9,424
Profit before tax	3,133	229	1,062	261	-1,317	-4,474	436	246	1,306	882
Loans and advances	963,637	148,387	180,317	129,799	52,831	66,657	21,444	17,095	108,034	1,688,201
Credit exposure	971,156	155,548	193,751	142,573	52,244	55,168	22,554	58,771	251,357	1,903,122
Allowance account	17,185	2,198	1,101	1,730	4,702	14,123	2,522	336	589	44,486
Profit before loan impairment charges as % p.a. of allocated capital	18.3	6.1	15.0	10.4	21.2	10.0	28.7	27.5	16.8	16.3
Pre-tax profit as % p.a. of allocated capital (ROE)	9.9	4.9	14.4	5.1	-83.0	-188.2	44.8	19.8	15.7	1.4
Cost/income ratio (%)	53.0	89.2	53.1	71.9	71.4	69.2	48.5	79.2	36.7	59.7

Banking Activities Q1-Q3 2010

	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	CIB	Total
Net interest income	9,536	1,514	1,508	1,282	899	809	376	253	1,388	17,565
Net fee income	2,598	736	439	228	232	80	115	83	744	5,255
Net trading income	392	60	85	86	64	30	75	22	47	861
Other income	346	254	37	417	15	5	8	1,218	6	2,306
Total income	12,872	2,564	2,069	2,013	1,210	924	574	1,576	2,185	25,987
Expenses	7,973	2,219	1,091	1,281	867	655	259	1,288	982	16,615
Profit before loan impairment charges	4,899	345	978	732	343	269	315	288	1,203	9,372
Loan impairment charges	6,487	76	67	89	783	3,756	171	59	26	11,514
Profit before tax	-1,588	269	911	643	-440	-3,487	144	229	1,177	-2,142
Loans and advances	969,173	139,684	175,917	121,120	54,032	72,740	24,736	17,026	106,227	1,680,655
Credit exposure	994,159	145,113	193,457	133,217	53,488	65,098	26,157	51,221	250,453	1,912,363
Allowance account	19,093	2,038	1,334	1,474	2,839	10,744	3,034	402	930	41,888
Profit before loan impairment charges as % p.a. of allocated capital	19.1	9.7	19.3	18.4	24.1	12.6	36.0	24.6	17.7	18.5
Pre-tax profit as % p.a. of allocated capital (ROE)	-6.2	7.6	18.0	16.1	-30.9	-163.4	16.4	19.5	17.4	-4.2
Cost/income ratio (%)	61.9	86.5	52.7	63.6	71.7	70.9	45.1	81.7	44.9	63.9

The tables above break down the Group's banking activities.

Since 1 January 2011, Corporate & Institutional Banking (CIB) has comprised the largest corporate customers and institutional clients, previously served by the Group's Nordic units, and the Group's corporate finance business, previously organised under Danske Markets. The transfer of the corporate finance business to CIB involves reallocating annual income of about DKK 200 million and annual expenses of about DKK 150 million. Comparative figures have been restated.

Notes – Danske Bank Group

Note	(DKK millions)									
3 (cont'd)	**Profit before loan impairment charges**	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Full year 2010
	Retail Banking Denmark	5,782	4,899	118	2,154	1,850	1,778	1,877	1,710	6,776
	Retail Banking Finland	286	345	83	161	102	23	13	150	358
	Retail Banking Sweden	1,109	978	113	395	355	359	353	356	1,331
	Retail Banking Norway	532	732	73	197	179	156	223	254	955
	Banking Activities Northern Ireland	337	343	98	154	81	102	71	125	414
	Banking Activities Ireland	237	269	88	88	70	79	95	78	364
	Banking Activities Baltics	280	315	89	102	89	89	97	109	412
	Other Banking Activities	342	288	119	106	104	132	104	97	392
	Corporate & Institutional Banking	1,401	1,203	116	493	484	424	554	377	1,757
	Total Banking Activities	10,306	9,372	110	3,850	3,314	3,142	3,387	3,256	12,759
	Danske Markets and Treasury	2,502	4,137	60	-650	1,367	1,785	-102	908	4,035
	Danske Capital	586	497	118	212	170	204	336	173	833
	Danica Pension	-407	1,461	-	-735	261	67	685	705	2,146
	Other Activities	-1,001	370	-	135	-278	-858	124	-89	494
	Total Group	11,986	15,837	76	2,812	4,834	4,340	4,430	4,953	20,267

Profit before tax

Retail Banking Denmark	3,133	-1,588	-	1,037	1,108	988	715	212	-873
Retail Banking Finland	229	269	85	99	136	-6	-2	124	267
Retail Banking Sweden	1,062	911	117	399	350	313	306	330	1,217
Retail Banking Norway	261	643	41	66	163	32	218	250	861
Banking Activities Northern Ireland	-1,317	-440	-	-565	-525	-227	-393	-284	-833
Banking Activities Ireland	-4,474	-3,487	-	-1,490	-1,780	-1,204	-1,118	-942	-4,605
Banking Activities Baltics	436	144	-	125	182	129	61	127	205
Other Banking Activities	246	229	107	103	28	115	138	85	367
Corporate & Institutional Banking	1,306	1,177	111	524	504	278	555	488	1,732
Total Banking Activities	882	-2,142	-	298	166	418	480	390	-1,662
Danske Markets and Treasury	3,483	4,820	72	100	1,763	1,620	-168	687	4,652
Danske Capital	633	493	128	212	169	252	327	177	820
Danica Pension	-407	1,461	-	-735	261	67	685	705	2,146
Other Activities	-1,001	370	-	135	-278	-858	124	-89	494
Total Group	3,590	5,002	72	10	2,081	1,499	1,448	1,870	6,450

Notes – Danske Bank Group

Note (DKK millions)

4 **Contingent liabilities**

The Group uses a variety of loan-related financial instruments to meet customers' financial requirements. Instruments include loan offers and other credit facilities, guarantees and instruments not recognised in the balance sheet.

	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
Guarantees			
Financial guarantees	11,738	12,061	10,858
Mortgage finance guarantees	1,907	3,001	2,730
Loss guarantee for the Private Contingency Association	-	-	3,333
Other guarantees	67,848	75,228	71,783
Total	81,493	90,290	88,704

Other contingent liabilities			
Irrevocable loan commitments shorter than 1 year	61,172	61,551	55,605
Irrevocable loan commitments longer than 1 year	99,012	109,407	108,212
Other unutilised commitments	860	852	899
Total	161,044	171,810	164,716

In addition to credit exposure relating to lending activities, the Group has granted loan offers and revocable credit facilities in the amount of DKK 426 billion (31 December 2010: DKK 396 billion). These items are included in the calculation of risk-weighted assets in accordance with the Capital Requirements Directive.

Owing to its business volume, the Danske Bank Group is continually a party to various lawsuits or disputes. In view of its size, the Group does not expect the outcomes of lawsuits or disputes to have any material effect on its financial position.

A limited number of employees are employed under terms which grant them, if they are dismissed before reaching their normal retirement age, an extraordinary severance and/or pension payment in excess of their entitlement under ordinary terms of employment. As a sponsoring employer, the Group is liable for the pension obligations of a number of company pension funds.

Depositors' claims are covered by the Danish Guarantee Fund for Depositors and Investors. Through participation in the statutory Fund, Danish banks undertake to cover the losses incurred by the Fund from the resolution of distressed banks. Danske Bank's share is just over one third of any loss incurred by the Fund. In early October 2011, Max Bank A/S entered into resolution proceedings under Bank Package 4. Danske Bank recognised an estimated DKK 172 million commitment to the Fund to cover losses on Max Bank A/S in the third quarter of 2011.

5 **Related parties**

Related parties with significant influence subscribed for DKK 4.6 billion of the total amount of new shares offered in April 2011. The members of the Board of Directors elected by the general meeting and the members of the Executive Board fully exercised their subscription rights.

Notes – Danske Bank Group

Note (DKK millions)

6 **Fair value information for financial instruments**

Financial instruments are recognised in the balance sheet at fair value or amortised cost.

	30 September 2011		31 December 2010	
	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	19,663	-	35,403
Due from credit institutions and central banks	-	145,300	-	228,100
Trading portfolio assets	911,584	-	641,993	-
Investment securities	96,416	12,049	107,699	10,857
Loans and advances at amortised cost	-	1,135,217	-	1,146,731
Loans at fair value	713,497	-	701,715	-
Assets under pooled schemes and unit-linked investment contracts	58,762	-	59,698	-
Assets under insurance contracts	194,450	-	193,088	-
Total	1,974,709	1,312,229	1,704,193	1,421,091
Financial liabilities				
Due to credit institutions and central banks	-	373,622	-	317,988
Trading portfolio liabilities	677,319	-	478,386	-
Deposits	-	888,638	-	861,053
Bonds issued by Realkredit Danmark	534,245	-	555,486	-
Deposits under pooled schemes and unit-linked investment contracts	65,181	-	67,277	-
Other issued bonds	-	359,022	-	450,219
Subordinated debt	-	70,059	-	77,336
Irrevocable loan commitments and guarantees	-	391	-	3,753
Total	1,276,745	1,691,732	1,101,149	1,710,349

Fair value calculations for financial instruments recognised at amortised cost are affected significantly by estimates as almost all calculations are made on the basis of non-observable input. The Group uses fair value hedge accounting for most of its interest rate risk. Fair value adjustments to the credit risk on loans and advances measured at amortised cost are recognised in loan impairment charges.

Capital market trends have occasioned a widening of bond credit spreads, causing the fair value of bonds issued by the Group and recognised at amortised cost to decline from 98.9% of the amortised cost at 31 December 2010 to 96.9% at 30 September 2011. The gain that would arise from redemption at the lower fair value is not recognised in the income statement.

Financial instruments at fair value

Note 43 of Annual Report 2010 provides more information about fair value calculation methods for financial instruments.

Financial instruments valued on the basis of quoted prices in an active market are recognised in the Quoted prices category. Financial instruments valued substantially on the basis of other observable input are recognised in the Observable input category. This category covers derivatives valued on the basis of observable yield curves or exchange rates and illiquid mortgage bonds valued by reference to the value of similar, liquid bonds. Other financial instruments are recognised in the Non-observable input category. This category covers unlisted shares and derivatives, and valuation relies on extrapolation of yield curves, correlations or other model input of material importance to valuation.

Developments in the financial markets did not result in any significant reclassification of bonds between the Quoted prices and Observable input categories in the first nine months of 2011.

Notes – Danske Bank Group

Note	(DKK millions)	Quoted prices	Observable input	Non-observable input	Total
6 (cont'd)	30 September 2011				
	Financial assets				
	Derivatives	8,721	518,048	15,786	542,555
	Trading portfolio bonds	356,017	12,133	91	368,241
	Trading portfolio shares	378	-	410	788
	Investment securities, bonds	90,238	3,463	-	93,701
	Investment securities, shares	137	-	2,578	2,715
	Loans at fair value	-	713,497	-	713,497
	Assets under pooled schemes and unit-linked investment contracts	58,762	-	-	58,762
	Assets under insurance contracts, bonds	144,544	3,190	192	147,926
	Assets under insurance contracts, shares	37,763	-	3,947	41,710
	Assets under insurance contracts, derivatives	400	4,414	-	4,814
	Total	696,960	1,254,745	23,004	1,974,709
	Financial liabilities				
	Derivatives	9,271	489,199	16,482	514,952
	Obligations to repurchase securities	162,191	158	18	162,367
	Bonds issued by Realkredit Danmark	534,245	-	-	534,245
	Deposits under pooled schemes and unit-linked investment contracts	-	65,181	-	65,181
	Total	705,707	554,538	16,500	1,276,745
	31 December 2010				
	Financial assets				
	Derivatives	4,117	321,236	8,390	333,743
	Trading portfolio bonds	286,270	20,490	-	306,760
	Trading portfolio shares	1,140	-	350	1,490
	Investment securities, bonds	100,309	4,017	-	104,326
	Investment securities, shares	1,010	-	2,363	3,373
	Loans at fair value	-	701,715	-	701,715
	Assets under pooled schemes and unit-linked investment contracts	59,698	-	-	59,698
	Assets under insurance contracts, bonds	142,449	2,791	1,157	146,397
	Assets under insurance contracts, shares	42,128	-	3,253	45,381
	Assets under insurance contracts, derivatives	73	1,237	-	1,310
	Total	637,194	1,051,486	15,513	1,704,193
	Financial liabilities				
	Derivatives	3,859	305,969	9,108	318,936
	Obligations to repurchase securities	158,981	445	24	159,450
	Bonds issued by Realkredit Danmark	555,486	-	-	555,486
	Deposits under pooled schemes and unit-linked investment contracts	-	67,277	-	67,277
	Total	718,326	373,691	9,132	1,101,149

Notes – Danske Bank Group

Note	(DKK millions)
6 (cont'd)	At 30 September 2011, financial instruments valued on the basis of non-observable input comprised unlisted shares of DKK 6,935 million (31 December 2010: DKK 5,966 million), illiquid bonds of DKK 283 million (31 December 2010: DKK 1,157 million) and derivatives with a net market value of DKK -696 million (31 December 2010: DKK -718 million).

The estimated fair value of illiquid bonds significantly depends on the estimated current credit spread. If the credit spread widens 50bp, fair value will decrease DKK 3 million. If the credit spread narrows 50bp, fair value will increase DKK 3 million. A substantial number of derivatives valued on the basis of non-observable input are hedged by similar derivatives or are used for hedging the credit risk on bonds also valued on the basis of non-observable input.

In the first nine months of 2011, the Group recognised unrealised value adjustments of unlisted shares and credit bonds valued on the basis of non-observable input in the amount of DKK 382 million (31 December 2010: DKK 593 million). Holdings in Nets Holding A/S accounted for DKK 291 million of the total amount.

Shares, bonds and derivatives valued on the basis of non-observable input	Q1-Q3 2011	Full year 2010
Fair value at 1 January	15,513	13,901
Value adjustment through profit or loss	6,236	6,272
Value adjustment through other comprehensive income	-	-
Acquisitions	6,862	4,352
Sale and redemption	-4,725	-8,402
Transferred from quoted prices and observable input	73	-
Transferred to quoted prices and observable input	-955	-610
Fair value, end of period	23,004	15,513

Notes – Danske Bank Group

(DKK millions)

Risk management

Annual Report 2010 and Risk Management 2010 provide a detailed description of the Danske Bank Group's risk management practices. Both publications are available at www.danskebank.com/ir. Risk Management 2010 is not covered by the statutory audit.

Breakdown of credit risk exposure

30 September 2011	Total	Credit risk, lending activities	Counterparty risk (derivatives)	Credit risk, other trading and investing activities	Insurance risk	Contracts, full risk assumed by customers
Balance sheet items:						
Demand deposits with central banks	10,646	10,646	-	-	-	-
Due from credit institutions and central banks	81,036	81,036	-	-	-	-
Repo loans with credit institutions and central banks	64,264	64,264	-	-	-	-
Trading portfolio assets	911,584	-	542,555	369,029	-	-
Investment securities	108,465	-	-	108,465	-	-
Loans and advances at amortised cost	980,021	980,021	-	-	-	-
Repo loans	155,196	155,196	-	-	-	-
Loans at fair value	713,497	713,497	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	58,762	-	-	-	-	58,762
Assets under insurance contracts	225,568	-	-	-	225,568	-
Off-balance-sheet items:						
Guarantees	81,493	81,493	-	-	-	-
Irrevocable loan commitments shorter than 1 year	61,172	61,172	-	-	-	-
Irrevocable loan commitments longer than 1 year	99,012	99,012	-	-	-	-
Other unutilised commitments	860	-	-	860	-	-
Total	3,551,576	2,246,337	542,555	478,354	225,568	58,762

31 December 2010	Total	Credit risk, lending activities	Counterparty risk (derivatives)	Credit risk, other trading and investing activities	Insurance risk	Contracts, full risk assumed by customers
Balance sheet items:						
Demand deposits with central banks	25,662	25,662	-	-	-	-
Due from credit institutions and central banks	89,619	89,619	-	-	-	-
Repo loans with credit institutions and central banks	138,481	138,481	-	-	-	-
Trading portfolio assets	641,993	-	333,743	308,250	-	-
Investment securities	118,556	-	-	118,556	-	-
Loans and advances at amortised cost	978,250	978,250	-	-	-	-
Repo loans	168,481	168,481	-	-	-	-
Loans at fair value	701,715	701,715	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	59,698	-	-	-	-	59,698
Assets under insurance contracts	217,515	-	-	-	217,515	-
Off-balance-sheet items:						
Guarantees	90,290	90,290	-	-	-	-
Irrevocable loan commitments shorter than 1 year	61,551	61,551	-	-	-	-
Irrevocable loan commitments longer than 1 year	109,407	109,407	-	-	-	-
Other unutilised commitments	852	-	-	852	-	-
Total	3,402,070	2,363,456	333,743	427,658	217,515	59,698

In addition to credit exposure relating to lending activities, the Group has granted loan offers and revocable credit facilities in the amount of DKK 426 billion (31 December 2010: DKK 396 billion). These items are included in the calculation of risk-weighted assets in accordance with the Capital Requirements Directive.

Notes – Danske Bank Group

(DKK millions)

Credit exposure relating to lending activities

The table named Credit exposure broken down by industry (GICS) shows the credit exposure of the Group's core banking business by industry and customer segment. The breakdown is based on the Global Industry Classification Standard (GICS) with the following additional categories: personal customers, subsidised housing companies, and central and local governments.

Credit exposure broken down by industry (GICS)

							Impaired	
30 September 2011	Personal customers	Commercial customers	Financial customers	Governments	Total	Past due but not impaired	Not in default	In default
Central and local governments	-	-	-	109,885	109,885	1	-	-
Subsidised housing companies	-	122,466	-	-	122,466	41	1,226	1,796
Banks	-	-	140,316	-	140,316	-	160	2
Diversified financials	-	-	171,724	-	171,724	54	743	4,714
Other financials	-	-	51,955	-	51,955	12	3	195
Energy and utilities	-	39,696	-	-	39,696	17	49	29
Consumer discretionary and consumer staples	-	204,451	-	-	204,451	847	7,300	3,272
Commercial property	-	253,565	-	-	253,565	904	11,912	9,029
Construction, engineering and building products	-	39,773	-	-	39,773	101	1,414	1,937
Transportation and shipping	-	68,734	-	-	68,734	114	1,441	171
Other industrials	-	77,954	-	-	77,954	170	2,451	833
IT	-	15,137	-	-	15,137	18	136	37
Materials	-	43,139	-	-	43,139	44	409	557
Health care	-	25,642	-	-	25,642	39	50	35
Telecommunication services	-	4,230	-	-	4,230	-	2	5
Personal customers	877,670	-	-	-	877,670	5,228	5,400	8,315
Total	877,670	894,787	363,995	109,885	2,246,337	7,590	32,696	30,927

31 December 2010	Personal customers	Commercial customers	Financial customers	Governments	Total	Past due but not impaired	Not in default	In default
Central and local governments	-	-	-	162,200	162,200	6	-	-
Subsidised housing companies	-	114,980	-	-	114,980	148	121	1,606
Banks	-	-	190,921	-	190,921	-	-	6
Diversified financials	-	-	186,174	-	186,174	165	1,045	4,524
Other financials	-	-	64,359	-	64,359	12	-	627
Energy and utilities	-	38,475	-	-	38,475	14	59	30
Consumer discretionary and consumer staples	-	203,211	-	-	203,211	1,061	6,910	2,365
Commercial property	-	245,459	-	-	245,459	1,368	12,697	9,775
Construction, engineering and building products	-	36,429	-	-	36,429	185	1,856	1,974
Transportation and shipping	-	73,223	-	-	73,223	220	1,451	193
Other industrials	-	83,319	-	-	83,319	364	3,204	283
IT	-	15,641	-	-	15,641	83	90	72
Materials	-	46,222	-	-	46,222	271	2,139	627
Health care	-	24,660	-	-	24,660	67	43	40
Telecommunication services	-	4,836	-	-	4,836	1	-	8
Personal customers	873,347	-	-	-	873,347	5,523	4,387	7,816
Total	873,347	886,455	441,454	162,200	2,363,456	9,488	34,002	29,946

Notes – Danske Bank Group

(DKK millions)

Credit exposure broken down by geographical area

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

30 September 2011	Personal customers	Commercial customers	Financial customers	Governments	Total	Past due but not impaired	Impaired: Not in default	Impaired: In default
Denmark	559,050	433,920	129,811	60,687	1,183,468	2,639	21,181	9,586
Finland	99,630	87,180	2,881	6,347	196,038	1,911	930	2,265
Sweden	81,871	151,705	19,192	6,974	259,742	345	657	1,097
Ireland	25,294	27,459	7,387	2,150	62,290	601	5,349	8,520
UK	19,264	32,880	71,633	21,847	145,624	340	946	2,527
Germany	564	12,058	15,983	381	28,986	24	48	217
Baltics	11,680	8,962	1,280	585	22,507	755	709	1,273
Other EU member states	2,715	10,836	61,957	172	75,680	7	113	99
Norway	73,645	102,592	9,182	9,512	194,931	949	2,501	830
Eastern Europe	75	1,516	1,269	65	2,925	-	2	1
Other European countries	1,027	2,835	6,872	1	10,735	7	145	198
North America	1,018	17,267	25,386	-	43,671	6	103	4,297
Central and South America	111	636	1,632	127	2,506	1	2	-
Africa	144	1,292	1,414	696	3,546	-	2	2
Asia	1,434	2,965	8,015	341	12,755	5	7	13
Oceania	148	684	101	-	933	-	1	2
Total	877,670	894,787	363,995	109,885	2,246,337	7,590	32,696	30,927

31 December 2010	Personal customers	Commercial customers	Financial customers	Governments	Total	Past due but not impaired	Impaired: Not in default	Impaired: In default
Denmark	562,450	426,439	157,847	98,037	1,244,773	4,295	18,723	9,144
Finland	94,918	85,894	4,901	8,306	194,019	1,961	3,111	2,156
Sweden	80,287	146,236	55,907	17,899	300,329	320	972	1,185
Ireland	26,843	32,468	15,067	4,432	78,810	740	5,280	8,446
UK	19,010	33,915	87,510	16,749	157,184	369	1,876	2,505
Germany	511	12,560	2,490	385	15,946	9	534	23
Baltics	12,096	8,560	3,821	562	25,039	765	886	1,213
Other EU member states	2,727	12,894	56,213	297	72,131	30	238	186
Norway	70,805	104,254	10,089	8,223	193,371	968	2,158	849
Eastern Europe	61	1,225	969	70	2,325	-	1	3
Other European countries	1,027	2,254	4,487	-	7,768	13	-	371
North America	988	14,362	30,651	432	46,433	6	220	3,834
Central and South America	109	326	2,299	141	2,875	-	-	-
Africa	123	1,397	1,239	446	3,205	1	-	2
Asia	1,259	2,990	7,898	6,221	18,368	11	3	27
Oceania	133	681	66	-	880	-	-	2
Total	873,347	886,455	441,454	162,200	2,363,456	9,488	34,002	29,946

Geographical segmentation is based on the customer's country of residence rather than the location in which the individual transaction is recorded.

Credit exposure to government bonds issued by Ireland, Portugal, Italy, Greece and Spain amounted to DKK 2.2 billion at 30 September 2011 (31 December 2010: DKK 4.4 billion), with the exposure to government bonds issued by Greece accounting for DKK 0.0 billion (31 December 2010: DKK 0.0 billion).

Notes – Danske Bank Group

(DKK millions)

Credit exposure broken down by rating category

30 September 2011 Rating category	Upper PD	Lower PD	Personal customers	Commercial customers	Financial customers	Governments	Total
1	0.00	0.01	6,625	2,569	10,964	65,732	85,890
2	0.01	0.03	77,065	10,094	59,925	21,504	168,588
3	0.03	0.06	121,602	103,787	120,400	5,254	351,043
4	0.06	0.14	170,650	151,639	42,234	4,117	368,640
5	0.14	0.31	178,094	171,683	39,442	3,368	392,587
6	0.31	0.63	118,974	167,082	59,277	4,220	349,553
7	0.63	1.90	108,066	133,408	15,328	4,158	260,960
8	1.90	7.98	66,180	76,017	7,571	1,162	150,930
9	7.98	25.70	16,699	34,417	3,037	370	54,523
10	25.70	99.99	5,400	26,390	906	-	32,696
11	100.00	100.00	8,315	17,701	4,911	-	30,927
Total			877,670	894,787	363,995	109,885	2,246,337

31 December 2010 Rating category							
1	0.00	0.01	22,953	279	16,544	118,981	158,757
2	0.01	0.03	80,256	11,711	73,833	19,660	185,460
3	0.03	0.06	103,477	100,774	171,339	12,697	388,287
4	0.06	0.14	122,120	143,698	45,520	835	312,173
5	0.14	0.31	160,931	170,567	60,982	7,319	399,799
6	0.31	0.63	143,287	164,145	45,445	701	353,578
7	0.63	1.90	129,823	133,192	13,398	1,812	278,225
8	1.90	7.98	83,778	77,597	5,605	163	167,143
9	7.98	25.70	14,519	38,949	2,586	32	56,086
10	25.70	99.99	4,387	28,570	1,045	-	34,002
11	100.00	100.00	7,816	16,973	5,157	-	29,946
Total			873,347	886,455	441,454	162,200	2,363,456

Notes – Danske Bank Group

(DKK millions)

Credit exposure relating to trading and investing activities

At 30 September 2011, the Group's credit exposure relating to trading and investing activities was DKK 1,021 billion, with DKK 474 billion deriving from bonds and DKK 543 billion deriving from derivatives with positive fair value.

Bond portfolio broken down by geographical area

30 September 2011	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
Denmark	43,343	-	196,207	-	-	891	2,807	243,248
Finland	6,875	21	-	-	400	440	689	8,425
Sweden	39,504	-	-	51,494	-	3,120	4,106	98,224
Norway	7,811	-	-	-	3,503	1,864	3,503	16,681
Ireland	661	-	-	-	90	-	141	892
UK	15,690	33	-	-	8,439	287	21	24,470
Germany	22,784	-	-	-	1	410	139	23,334
Spain	3,085	-	-	-	6,313	155	217	9,770
France	11,448	-	-	-	2,992	1,799	287	16,526
Italy	8,065	-	-	-	-	214	-	8,279
Portugal	187	-	-	-	-	-	-	187
Greece	-	-	-	-	-	-	-	-
North America	1,264	4,892	-	-	233	2	599	6,990
Other	9,374	4,267	-	-	558	394	2,367	16,960
Total	170,091	9,213	196,207	51,494	22,529	9,576	14,876	473,986

31 December 2010	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
Denmark	39,499	-	190,906	-	-	608	2,605	233,618
Finland	5,015	1,235	-	-	190	273	1,128	7,841
Sweden	17,561	-	-	56,238	-	2,490	4,561	80,850
Norway	5,145	-	-	-	1,061	3,195	3,087	12,488
Ireland	2,372	-	-	-	90	112	212	2,786
UK	11,930	1	-	-	8,319	113	570	20,933
Germany	22,666	877	-	-	1	98	249	23,891
Spain	748	-	-	-	5,796	256	962	7,762
France	6,840	-	-	-	2,233	674	1,406	11,153
Italy	2,966	-	-	-	-	215	30	3,211
Portugal	835	-	-	-	224	-	-	1,059
Greece	11	-	-	-	-	-	-	11
North America	2,035	4,800	-	-	232	14	719	7,800
Other	5,476	1,086	-	-	247	619	1,112	8,540
Total	123,099	7,999	190,906	56,238	18,393	8,667	16,641	421,943

Credit exposure to government bonds issued by Ireland, Portugal, Italy, Spain and Greece amounted to DKK 12.0 billion at 30 September 2011 (31 December 2010: DKK 6.0 billion). Excluding unsettled transactions in bonds issued by these countries and hedging transactions, the net exposure was DKK 3.3 billion (31 December 2010: DKK 5.0 billion).

Derivatives with positive fair value	30 Sept. 2011	31 Dec. 2011
Interest rate contracts	398,185	240,682
Currency contracts	138,628	90,762
Other contracts	5,742	2,299
Derivatives with positive fair value, total	542,555	333,743
Netting (under capital adequacy rules)	436,270	259,112
Net current exposure	106,285	74,631

Notes – Danske Bank Group

(DKK millions)

Impairment charges

Rating categories 10 and 11 include customers with exposures for which objective evidence of impairment exists and individual impairment charges are made. Exposure to customers in the other rating categories is subject to collective impairment testing.

The allowance account consists of all impairment charges for loans and advances at amortised cost, loans at fair value, amounts due from credit institutions and central banks, and irrevocable loan commitments and guarantees.

Allowance account broken down by segment and type of impairment

	Personal customers	Commercial customers	Financial customers	Governments	Allowance account, total	Impairment charges Individual	Impairment charges Collective
1 January 2010	4,229	24,615	8,251	-	37,095	32,681	4,414
New impairment charges	4,955	13,523	2,673	7	21,158	18,984	2,174
Reversals of impairment charges from previous periods	774	5,288	1,386	5	7,453	5,380	2,073
Write-offs debited to allowance account	1,260	4,556	2,153	-	7,969	7,969	-
Foreign currency translation	69	386	462	-	917	864	53
Other items	-13	26	8	-	21	21	-
31 December 2010	7,206	28,706	7,855	2	43,769	39,201	4,568
New impairment charges	3,091	11,433	624	4	15,152	13,915	1,237
Reversals of impairment charges from previous periods	1,304	3,418	713	-	5,435	4,291	1,144
Write-offs debited to allowance account	643	2,102	3,581	-	6,326	6,326	-
Foreign currency translation	-18	-72	-57	-	-147	-131	-16
Other items	86	90	-24	-	152	152	-
30 September 2011	8,418	34,637	4,104	6	47,165	42,520	4,645

Collective impairment charges include charges made upon the up- or downgrading of customers. If all customers were downgraded one rating category with no corresponding interest rate change, collective impairment charges would increase by about DKK 4.4 billion (31 December 2010: DKK 5.4 billion).

If the value of collateral provided by customers in rating categories 10 and 11 decreased 10%, individual impairment charges would increase by about DKK 2.9 billion (31 December 2010: DKK 3.0 billion).

Allowance account broken down by balance sheet item

	30 Sept. 2011	31 Dec. 2010
Due from credit institutions and central banks	94	87
Loans and advances at amortised cost	44,185	37,630
Loans at fair value	2,235	2,019
Other liabilities	651	4,033
Total	47,165	43,769

Loan impairment charges

	Q1-Q3 2011	Q1-Q3 2010
New and increased impairment charges	15,152	16,295
Reversals of impairment charges	5,435	5,629
Write-offs charged directly to income statement	832	709
Received on claims previously written off	2,039	661
Interest income, effective interest method	-114	121
Total	8,396	10,835

For the first nine months of 2011, Received on claims previously written off included a compensation of DKK 0.8 billion deriving from the termination of a credit insurance contract covering potential losses on certain types of lending.

Notes – Danske Bank Group

(DKK millions)

Allowance account and impairment charges broken down by industry

	Credit exposure		Allowance account		Impairment charges	
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2011	31 Dec. 2010	Q1-Q3 2011	Q1-Q3 2010
Central and local governments	109,885	162,200	6	2	5	-
Subsidised housing companies	122,466	114,980	988	836	248	437
Banks	140,316	190,921	94	3,421	8	1,412
Diversified financials	171,724	186,174	3,893	4,310	-948	-481
Other financials	51,955	64,359	117	124	-4	71
Energy and utilities	39,696	38,475	69	23	37	-109
Consumer discretionary and consumer staples	204,451	203,211	7,658	6,702	1,561	1,321
Commercial property	253,565	245,459	16,118	11,931	4,952	3,502
Construction, engineering and building products	39,773	36,429	3,988	2,862	987	887
Transportation and shipping	68,734	73,223	1,324	1,366	112	219
Other industrials	77,954	83,319	2,407	2,395	508	290
IT	15,137	15,641	512	514	-36	166
Materials	43,139	46,222	1,393	1,894	-126	732
Health care	25,642	24,660	103	110	9	4
Telecommunication services	4,230	4,836	77	73	3	-5
Personal customers	877,670	873,347	8,418	7,206	1,080	2,389
Total	2,246,337	2,363,456	47,165	43,769	8,396	10,835

Allowance account and impairment charges broken down by geographical area

	Credit exposure		Allowance account		Impairment charges	
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2011	31 Dec. 2010	Q1-Q3 2011	Q1-Q3 2010
Denmark	1,183,468	1,244,773	17,654	19,133	2,491	6,339
Finland	196,038	194,019	2,290	2,653	242	369
Sweden	259,742	300,329	1,144	1,264	35	70
Ireland	62,290	78,810	14,116	9,586	4,698	3,790
UK	145,624	157,184	5,005	3,685	1,629	919
Germany	28,986	15,946	128	134	-6	30
Baltics	22,507	25,039	2,507	2,881	-161	141
Other EU member states	75,680	72,131	164	292	-46	46
Norway	194,931	193,371	1,804	1,530	286	30
Eastern Europe	2,925	2,325	5	2	3	-1
Other European countries	10,735	7,768	148	156	-3	-6
North America	43,671	46,433	2,107	2,370	-777	-886
Central and South America	2,506	2,875	2	2	1	-8
Africa	3,546	3,205	10	9	1	-
Asia	12,755	18,368	75	66	3	-1
Oceania	933	880	6	6	-	3
Total	2,246,337	2,363,456	47,165	43,769	8,396	10,835

Statement by the management

The Board of Directors and the Executive Board (the management) have considered and approved Interim Report – First Nine Months 2011 of the Danske Bank Group.

The interim financial statements for the first nine months of 2011 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of listed financial institutions.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities, shareholders' equity and financial position at 30 September 2011 and of the results of the Group's operations and the consolidated cash flows for the period starting on 1 January 2011 and ending on 30 September 2011. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group.

Copenhagen, 1 November 2011

Executive Board

Peter Straarup
Chairman

Tonny Thierry Andersen
Member of the Executive Board

Thomas F. Borgen
Member of the Executive Board

Henrik Ramlau-Hansen
Member of the Executive Board

Georg Schubiger
Member of the Executive Board

Per Skovhus
Member of the Executive Board

Board of Directors

Eivind Kolding
Chairman

Ole Gjessø Andersen
Vice Chairman

Niels B. Christiansen

Michael Fairey

Peter Højland

Mats Jansson

Majken Schultz

Claus Vastrup

Susanne Arboe

Helle Brøndum

Carsten Eilertsen

Charlotte Hoffmann

Per Alling Toubro

Auditors' review reports

Internal Audit's review report

We have reviewed the interim financial statements of the Danske Bank Group for the period starting on 1 January 2011 and ending on 30 September 2011 (pages 24-46).

Scope of review
A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than the scope of an audit and therefore provides less assurance that we will become aware of all significant matters that might be identified in an audit. We have not conducted an audit, and, accordingly, we express no audit opinion.

Opinion
Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements have not been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for interim reports of listed financial institutions.

Copenhagen, 1 November 2011

Jens Peter Thomassen
Group Chief Auditor

Independent auditors' review report

To the shareholders of Danske Bank A/S

We have reviewed the interim financial statements of the Danske Bank Group for the period starting on 1 January 2011 and ending on 30 September 2011, which comprise the income statement, statement of comprehensive income, balance sheet, statement of capital, cash flow statement and notes. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions.

Management is responsible for the preparation and presentation of the interim financial statements. Our responsibility is to express a conclusion on the interim financial statements based on our review.

Scope of review
We conducted our review in accordance with the Danish Standard on Auditing RS 2410, Review of Interim Financial Information Performed by the Independent Auditor. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than the scope of an audit conducted in accordance with Danish Standards on Auditing and therefore provides less assurance that we will become aware of all significant matters that might be identified in an audit. We have not conducted an audit, and, accordingly, we express no audit opinion.

Opinion
Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements have not been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions.

Copenhagen, 1 November 2011

KPMG
Statsautoriseret Revisionspartnerselskab

Lars Rhod Søndergaard　　Mona Blønd
State Authorised Public Accountants

Copenhagen, 1 November 2011

PricewaterhouseCoopers Danmark
Statsautoriseret Revisionsaktieselskab

Ole Fabricius　　Christian F. Jakobsen
State Authorised Public Accountants

Supplementary information

Conference call
Danske Bank will hold a conference call on 1 November 2011 at 2.30pm CET upon the presentation of its interim report for the first nine months of 2011. The conference call will be webcast live at www.danskebank.com.

Financial calendar

9 February 2012	Annual Report 2011
27 March 2012	Annual general meeting
10 May 2012	Interim Report – First Quarter 2012
7 August 2012	Interim Report – First Half 2012
30 October 2012	Interim Report – First Nine Months 2012
7 February 2013	Annual Report 2012
7 May 2013	Interim Report – First Quarter 2013

Contacts

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Martin Gottlob, Head of Investor Relations	+45 45 14 07 92

Useful links

The Danske Bank Group	www.danskebank.com
Retail Banking Denmark	www.danskebank.dk
Retail Banking Finland	www.sampobank.com
Retail Banking Sweden	www.danskebank.se
Retail Banking Norway	www.fokus.no
Banking Activities Northern Ireland	www.northernbank.co.uk
Banking Activities Ireland	www.nationalirishbank.ie
Realkredit Danmark	www.rd.dk
Danske Capital	www.danskecapital.com
Danica Pension	www.danicapension.dk

The Group's financial statements are available online at www.danskebank.com/reports.