

Copenhagen, 31 January 2008

# Press conference

Financial results for 2007

- Robust earnings in turbulent times

# 2007: an eventful year

- High activity and international financial unrest

- Healthy earnings
- Unrest in financial markets
- Acquisition of Sampo Bank completed
- Danske Bank and BG Bank merged
- Launch of many new products at attractive prices



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### SAMMENLIGN PENGEINSTITUTTERNES PRISER

Pengepriser.dk giver dig oplysning om priserne i danske banker, spare- og andelskasser. Pengepriser.dk gør det muligt for dig at sammenligne priser på et enkelt produkt eller for en husstands vifte af bankydelse.

#### SAMMENLIGN PRISER FOR HUSSTAND

For at kunne sammenligne på ensartet grundlag, har vi opstillet ni repræsentative husstande. Vælg den husstand, der ligner din mest. Bor du i en andelsbolig, skal du vælge "Ejer".

Single	Bolig	Årlig indkomst før skat
Ung	Leje	75.000 - 125.000 kr.
Single 1	Leje	125.000 - 225.000 kr.
Single 2	Ejer	225.000 - 300.000 kr.
<b>Familie</b>		
Familie 1	Leje	225.000 - 300.000 kr.
Familie 2	Leje	300.000 - 450.000 kr.
Familie 3	Ejer	500.000 - 700.000 kr.
Familie 4	Ejer	700.000 - 900.000 kr.
<b>Senior</b>		
Senior Single	Leje	125.000 - 175.000 kr.

#### SAMMENLIGN PRISER PÅ PRODUKT

Vælg et produkt og sammenlign pengeinstitutternes priser.

- Lån
- Lønkonto med kredit
- Billån
- Forbrugslån
- Boliglån (ejerbolig)
- Prioritetslån (ejerbolig)
- Andelsboliglån
- Opsparing
- Lønkonto
- Børneopsparing

# Financial results for 2007

- Earnings growth of 10 per cent

## Income statement

DKrm	Realised Proforma		2007	Realised Proforma	
	2006	2006		Index	Index
Total income	37,486	43,074	<b>45,063</b>	120	105
Operating expenses	19,485	22,640	<b>25,070</b>	129	111
Profit before credit losses	18,001	20,434	<b>19,993</b>	111	98
Credit loss expenses	-496	-484	<b>687</b>	-	-
Profit before tax	18,497	20,918	<b>19,306</b>	104	92
Tax	4,952	5,549	<b>4,436</b>	90	80
<b>Net profit</b>	<b>13,545</b>	<b>15,369</b>	<b>14,870</b>	<b>110</b>	<b>97</b>

- Income growth drivers:
  - Rising net interest income, despite margin pressure
  - Strong activity at Danske Markets
- Expenses up because of integration of new banks
- Modest credit loss expenses
- Corporation tax reduced in Denmark

# The international financial crisis

## Likviditetskrisen spidser til

JP Morgan fik større minus end ventet



## Kreditkrise sender renterne ned

De amerikanske renter er sendt sydpå. Økonomerne vurderer, at europæiske og danske renter står for tur

## Frygt for flere bankkriser lurер

Analytikere og eksperter ser risiko for flere bankkrak

De seneste danske bankkriser  
Oversigt over sammenbrud i pengeinstitutter i 1990'erne\*

Institut Offentlig Intervention Kriseløsningsmodel

hvilket gør det vanskeligt for bankerne at overskue heden ved låneene. Analytiker Jesper Jørgensen fra KB Bank tvivler også på bankernes evne til at håndtere den aktuelle situation.

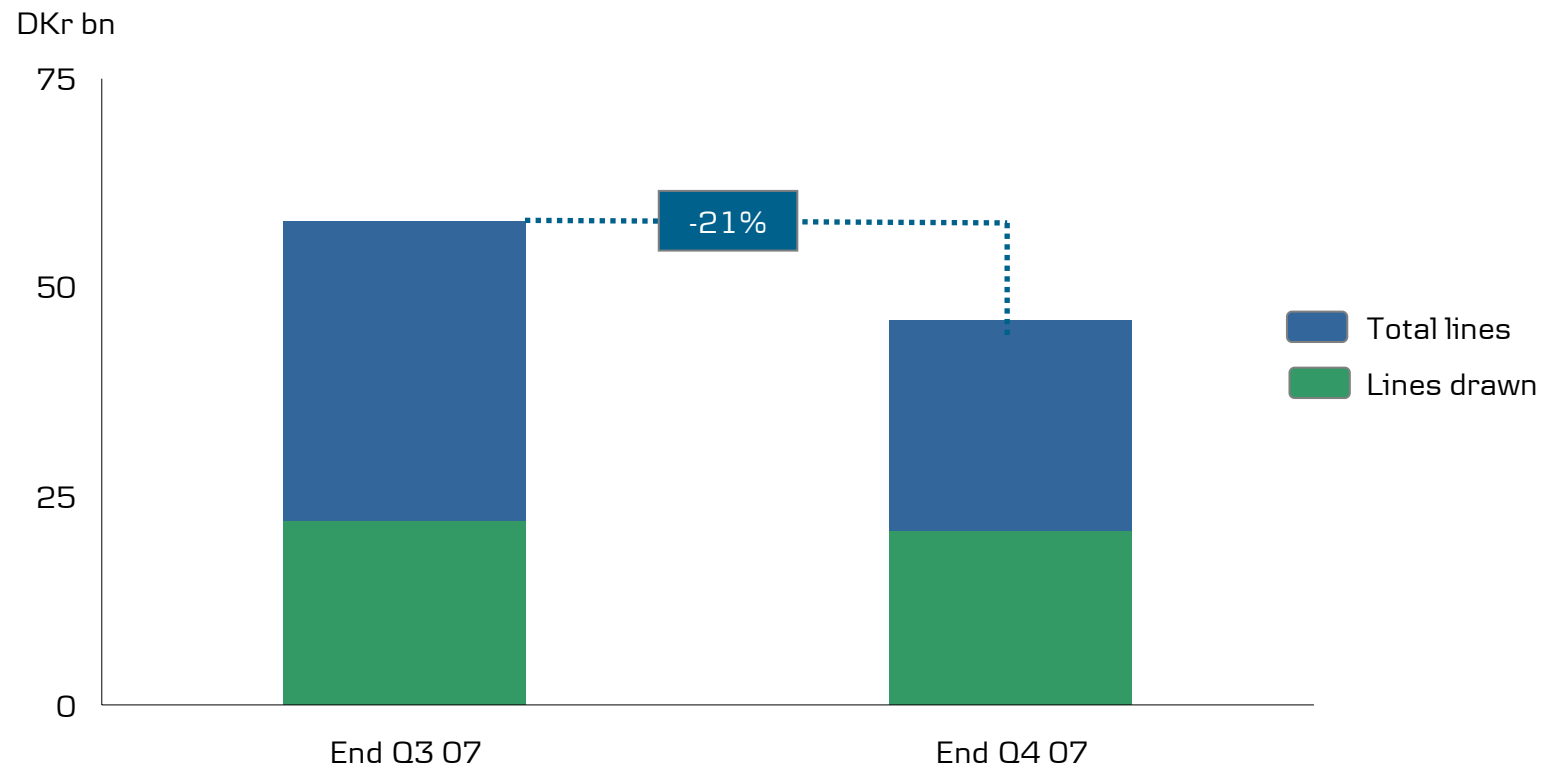


## ECB pumper mia. ud

FINANS. Den Europæiske Centralbank (ECB) har sendt et historisk stort beløb - 2.597 mia. kr. - ud i pengemarkedet

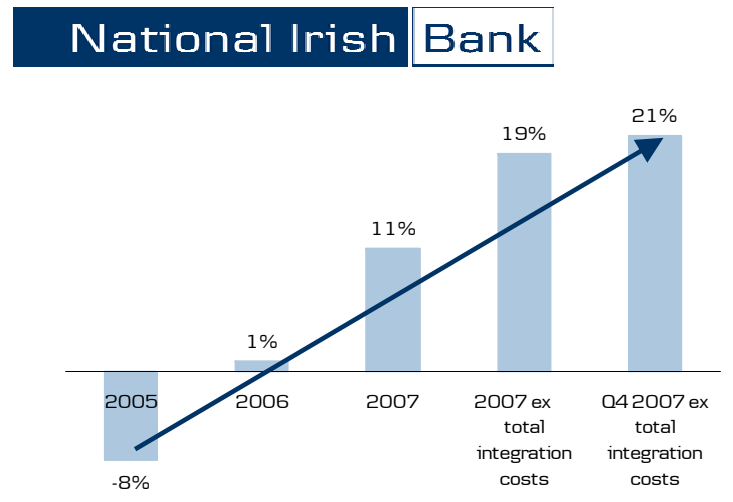
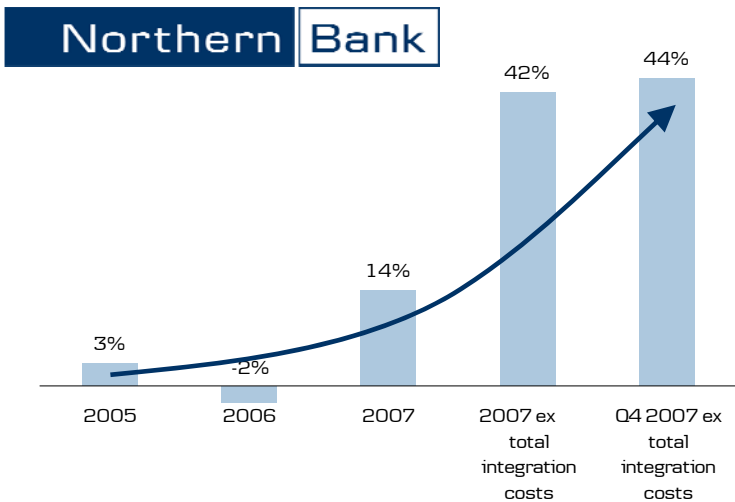
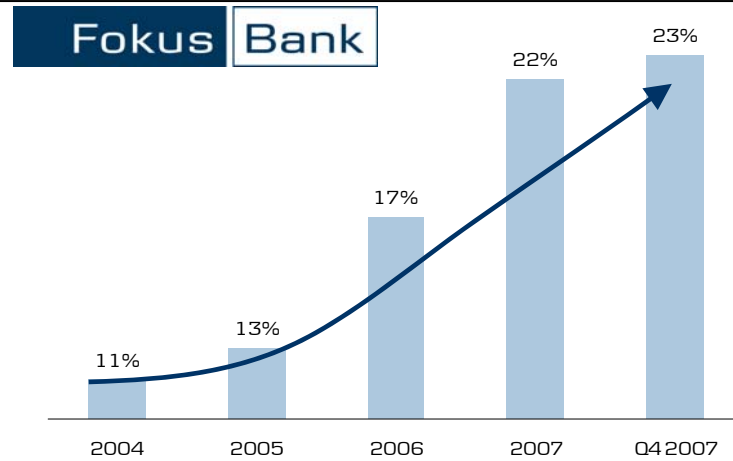
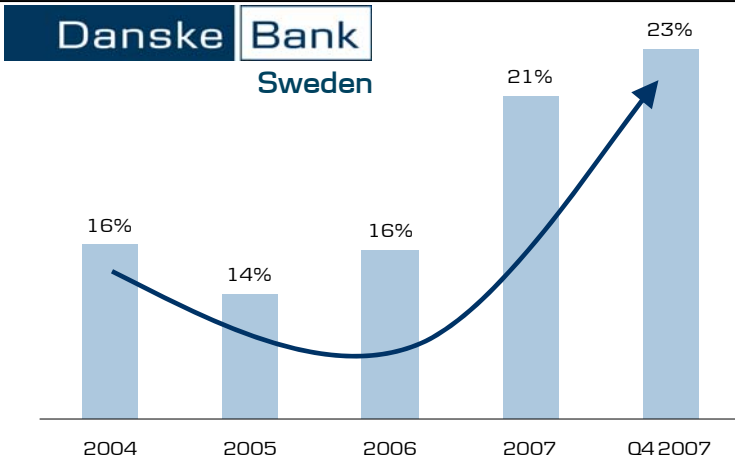
# Backup liquidity facilities

- Exposure reduced by DKr 12bn – no change in amount drawn



# Rising profitability abroad

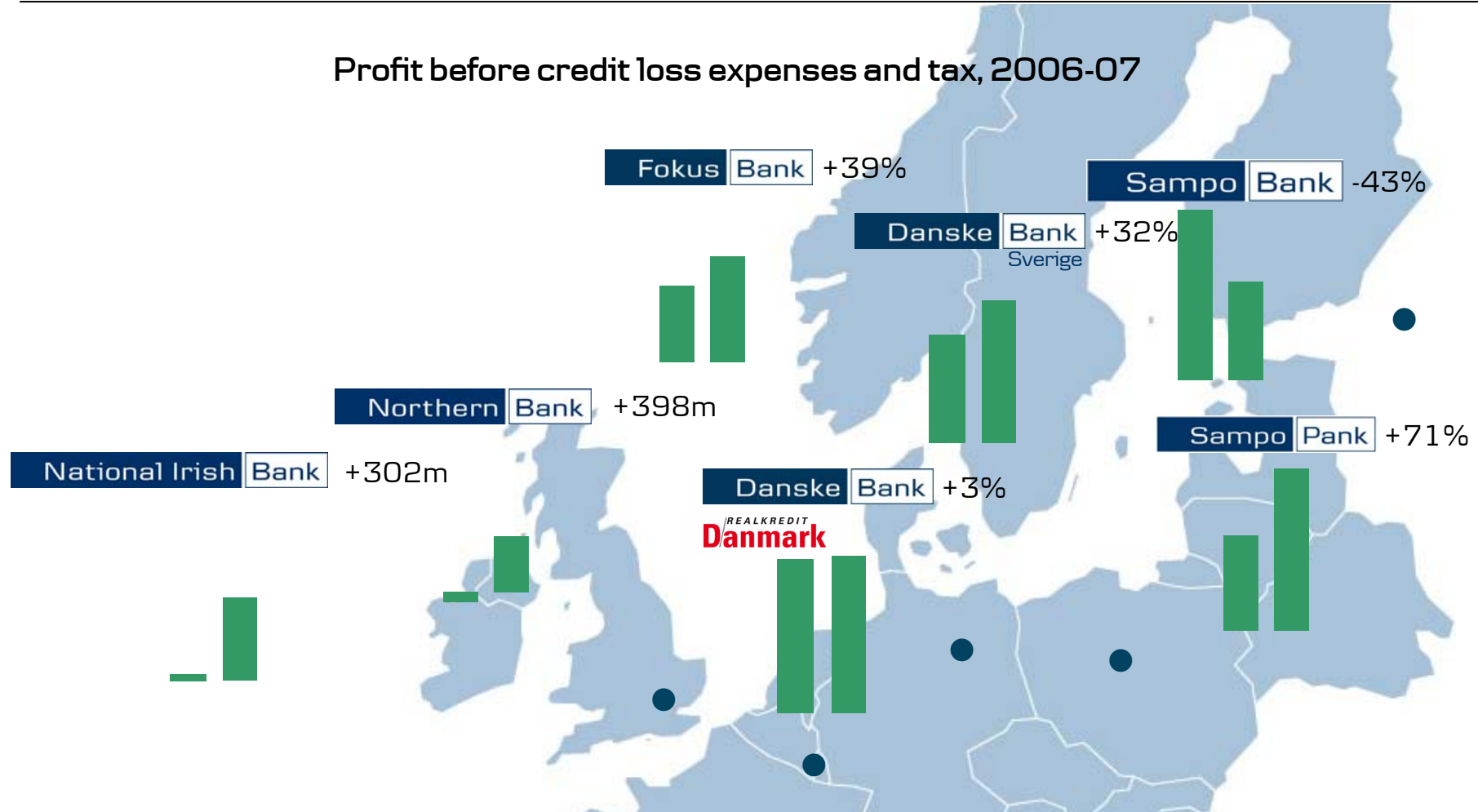
-Units outside Denmark post steady gains in ROE



# Rising profit outside Denmark

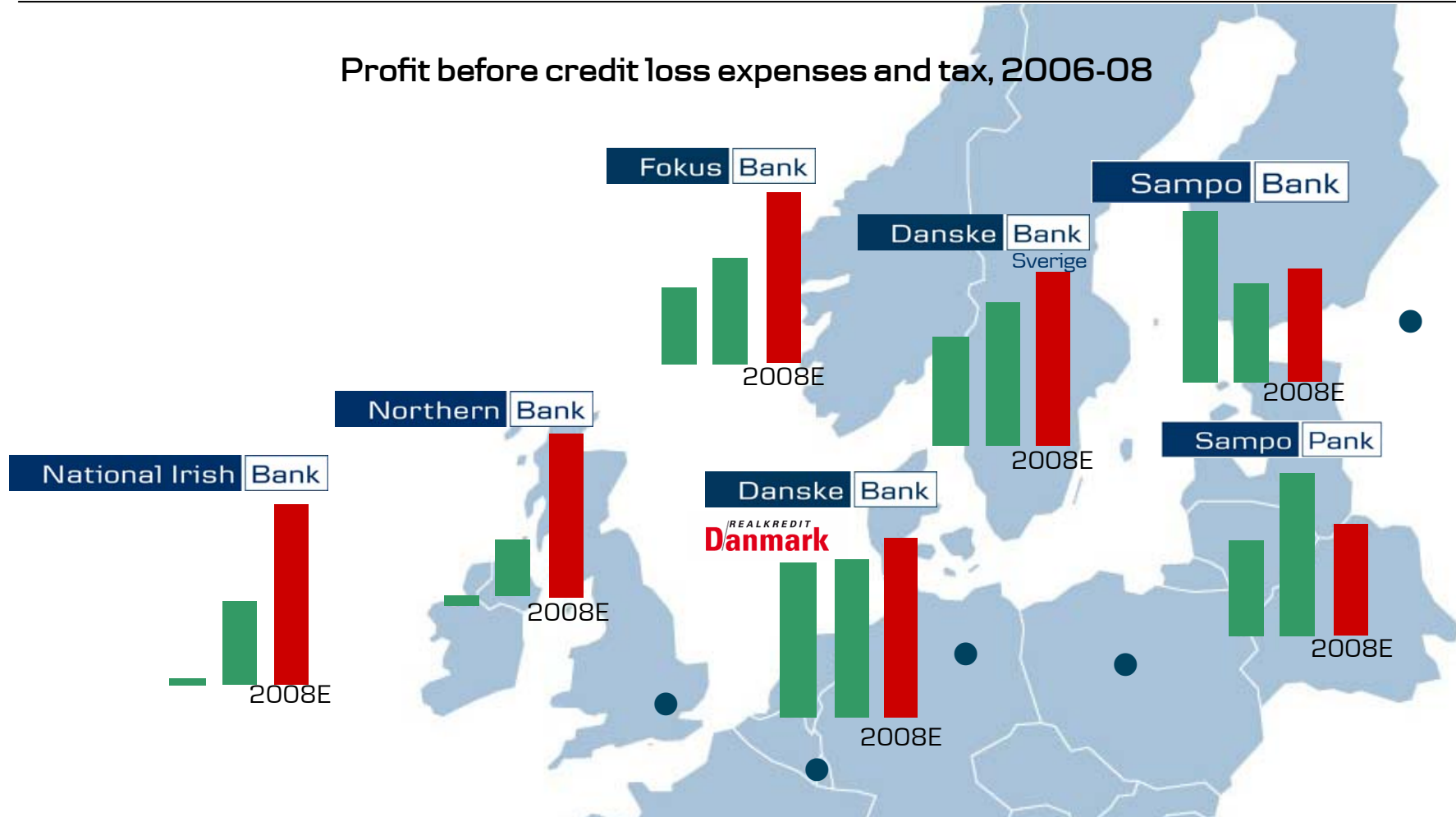
- High growth rates abroad, while Denmark remains stable

Profit before credit loss expenses and tax, 2006-07



- And the growth will continue in 2008
- Earnings to grow in Norway, Sweden, Ireland and Northern Ireland

Profit before credit loss expenses and tax, 2006-08





# Financial targets 2012

- From vision to ambitious financial targets

## Our vision

'One platform - exceptional brands'

## Our mission

'The best local financial partner'

## Danske Banking Concept

DKr 1bn investment in IT platform 2008-2009  
Digitalisation of infrastructure and platform.  
Acceleration of product launches in the Group.

Income - 2012

> DKr 55bn

(2007: DKr 45bn)

C/I-ratio - 2012

< 45%

(2007: 56%)

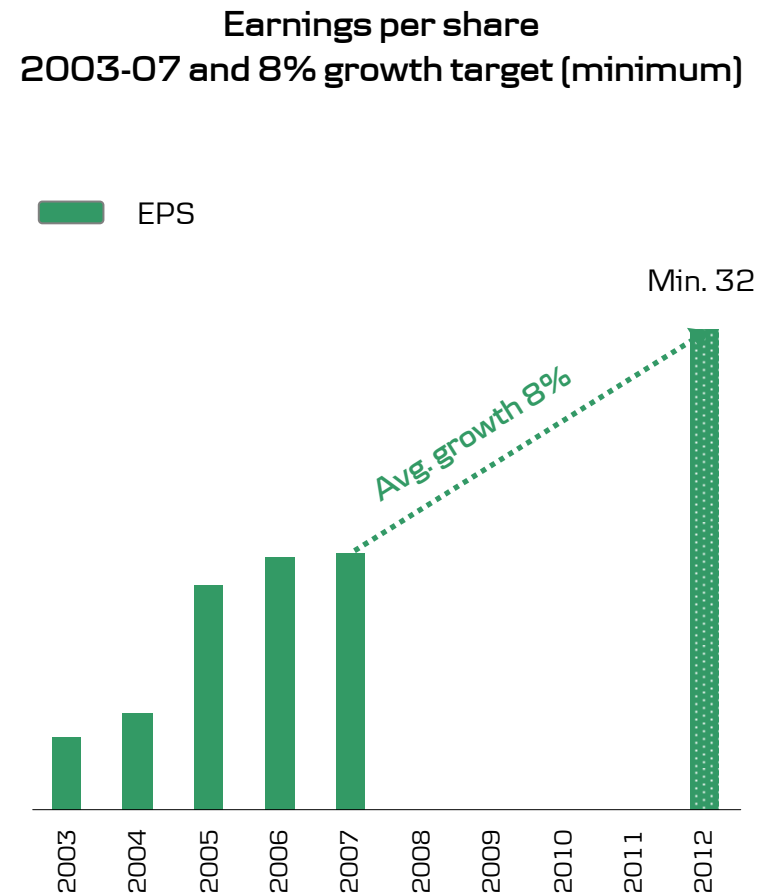
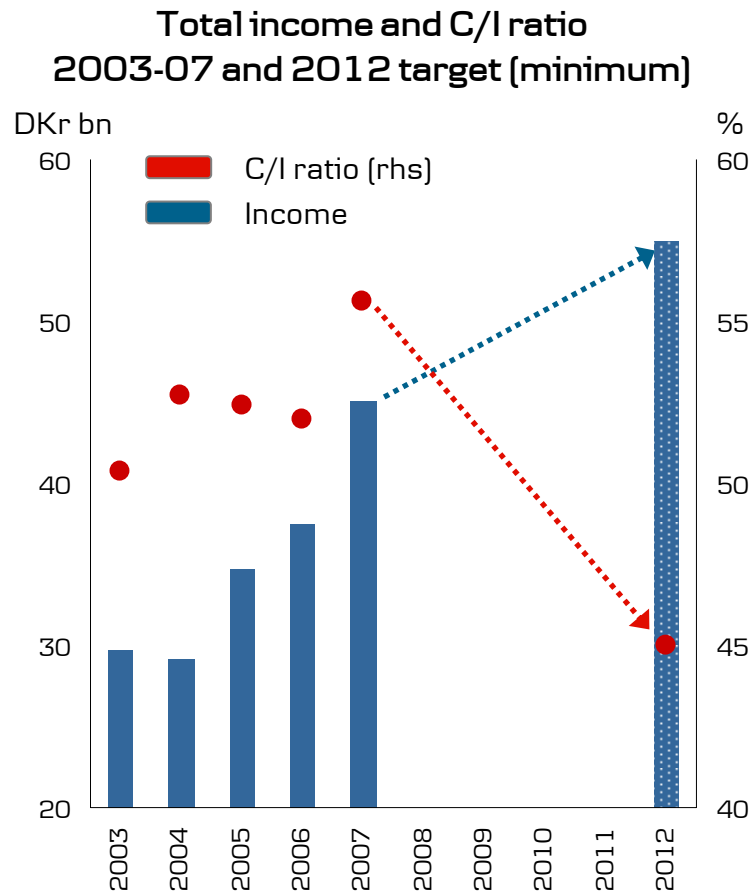
EPS-growth 2007-2012

Above 8% p.a. on average

(EPS in 2007: DKr 21.7)

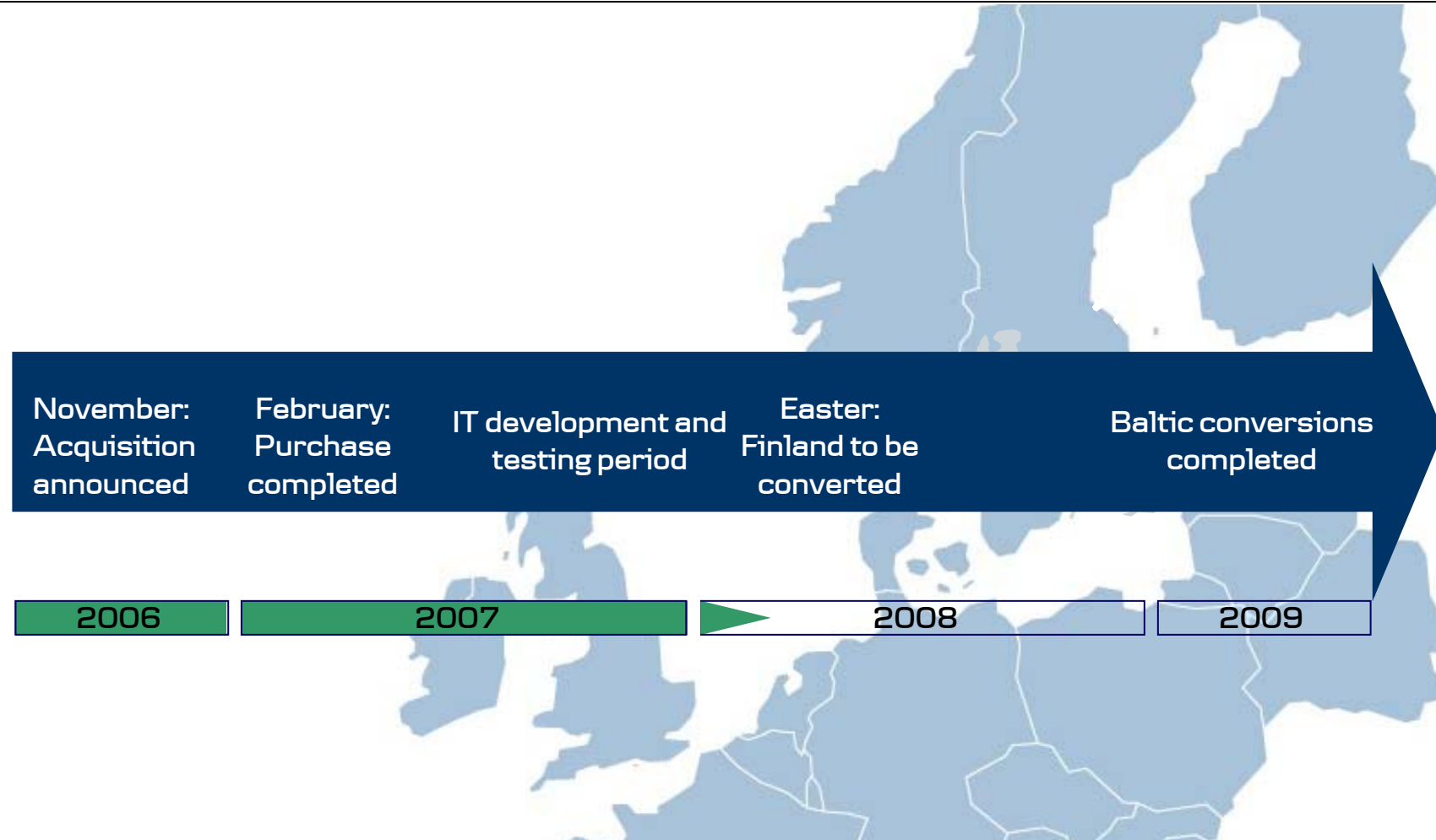
# Financial targets for 2012 (cont'd)

- An ambition to deliver profitable growth



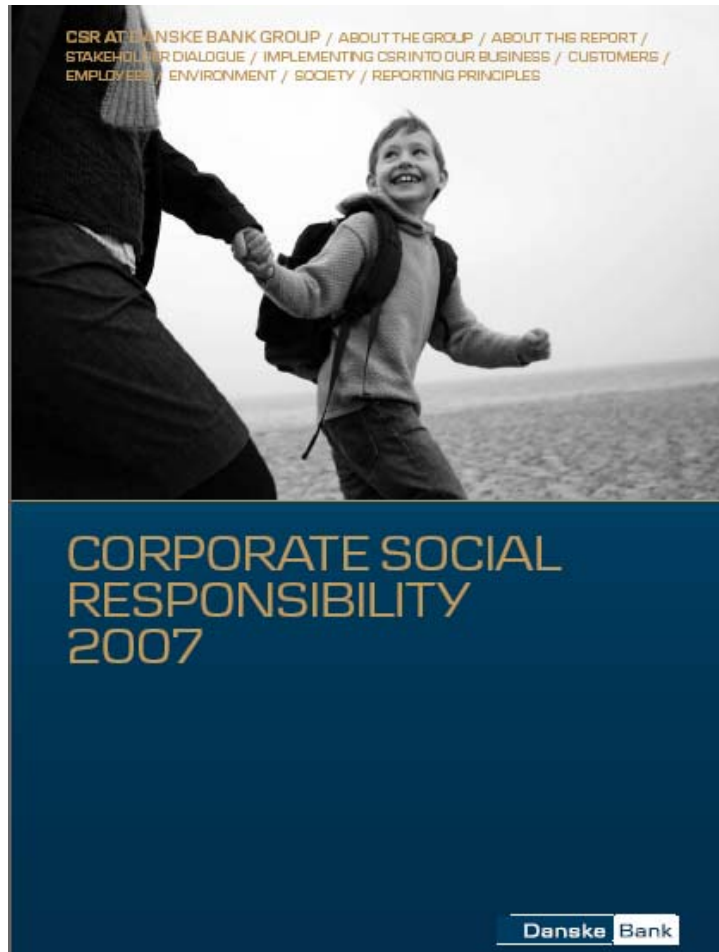
# The Sampo Bank integration

- Integration process on schedule



# CSR: Financial Literacy Programme

- The Group will inform and educate people about personal finance



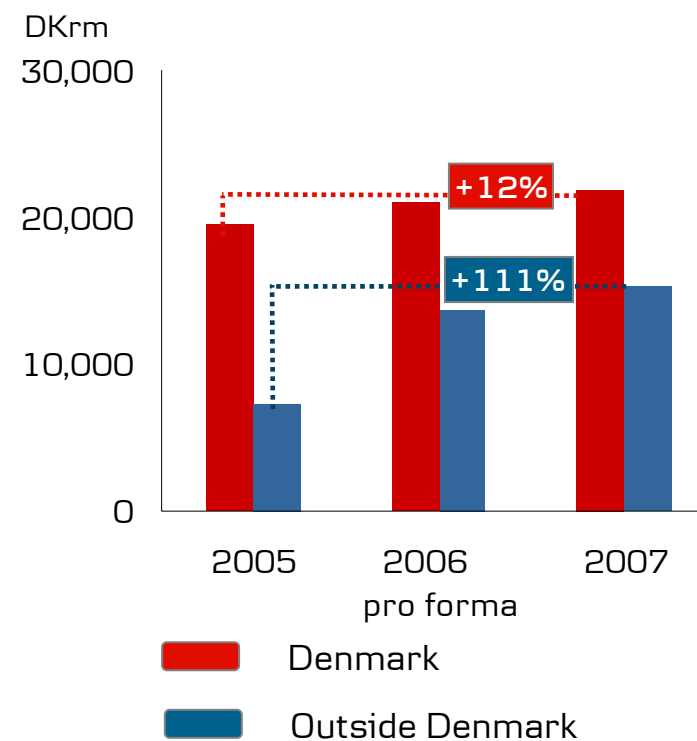
# Financial results for 2007

- Rising income and higher earnings outside Denmark

## Income statement

DKrm	Pro forma		
	2006	2007	Index
Net interest income	22,610	24,260	107
Net fee income	8,877	8,788	99
Net trading income	7,280	7,887	108
Other income	2,952	3,010	102
Net income from insurance business	1,355	1,118	83
<b>Total income</b>	<b>43,074</b>	<b>45,063</b>	<b>105</b>
<b>Expenses</b>	<b>22,640</b>	<b>25,070</b>	<b>111</b>
Profit bef. credit loss exp.	20,434	19,993	98
Credit loss expenses	-484	687	-
Profit before tax	20,918	19,306	92
Tax	5,549	4,436	80
<b>Net profit for the period</b>	<b>15,369</b>	<b>14,870</b>	<b>97</b>

## Income distribution



Include Banking activities and Mortgage Finance

# Banking Activities Denmark

- High earnings and successful integration of BG Bank

## Danske Bank

- Lending ↑ 14%
- Net interest income ↑ 6%
- Income ↑ 3%
- Profit before tax ↑ 2%
- Profit before tax DKr7,892m



# Banking Activities Finland

- Healthy activity despite focus on integration

## Sampo Bank

- Lending ↑ 12%
- Net interest income ↑ 2%
- Income ↑ 2%
- Profit before tax ↓ 59%
- Profit before tax DKr 816m

## Sampo Bank

A light blue map of Europe is shown in the background. A dark blue box with the Sampo Bank logo is overlaid on the map, positioned over the geographical location of Finland.

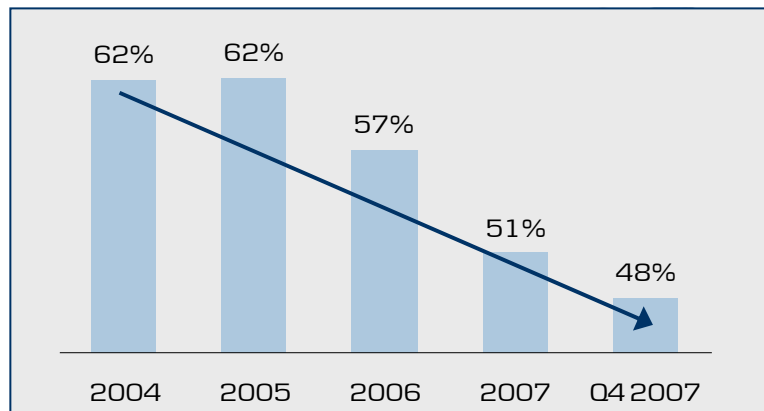
# Banking Activities Sweden

- Large jump in earnings, and improved efficiency

Danske Bank Sweden	
• Lending	↑ 17%
• Net interest income	↑ 17%
• Income	↑ 15%
• Profit before tax	↑ 34%
• Profit before tax	DKr 1,360m



Cost/Income ratio





# Banking Activities Norway

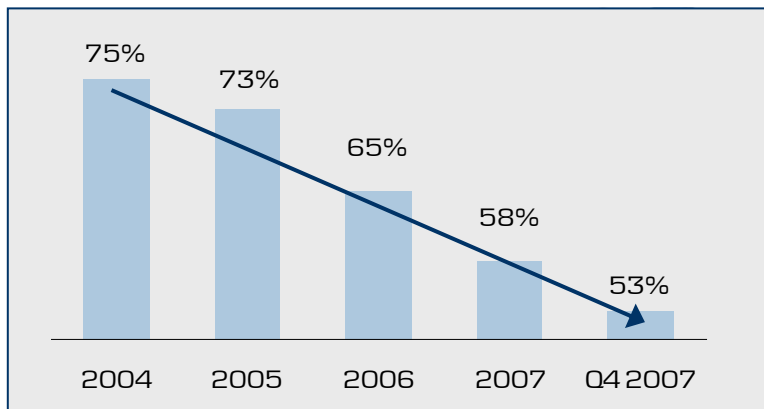
- High growth and markedly increase in profitability

## Fokus Bank

- Lending ↑ 29%
- Net interest income ↑ 20%
- Income ↑ 17%
- Profit before tax ↑ 28%
- Profit before tax DKr 1,132m

## Fokus Bank

Cost/income ratio



# Banking Activities Northern Ireland

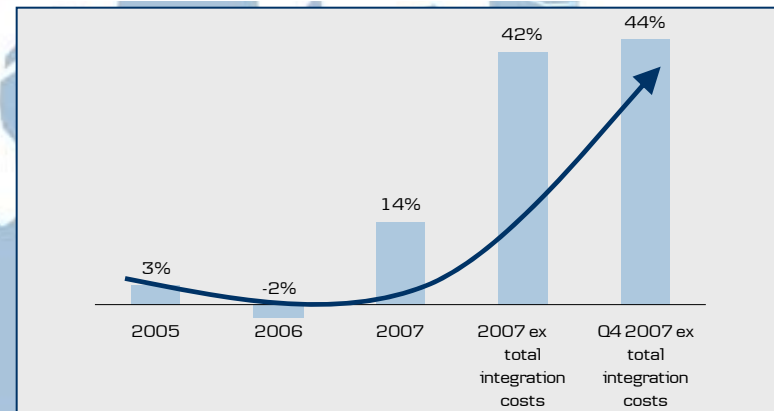
- Substantial earnings gains despite integration costs

Northern Bank	
• Lending *	↑ 23%
• Net interest income	↑ 8%
• Income	↑ 7%
• Profit before tax	↑ DKr 411m
• Profit before tax	DKr 307m

\* In GBP ex public loans.

Northern Bank

ROE before credit loss expenses and tax



# Banking Activities Ireland

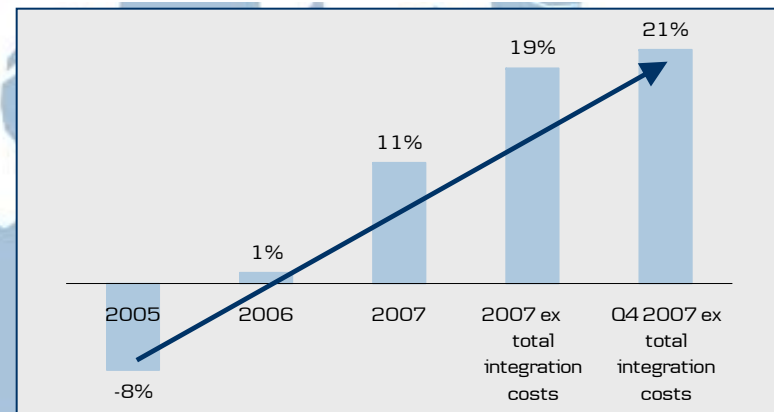
- High growth and rising profit

National Irish Bank	
• Lending	↑ 35%
• Net interest income	↑ 30%
• Income	↑ 30%
• Profit before tax	↑ 700%
• Profit before tax	DKr 208m



National Irish Bank

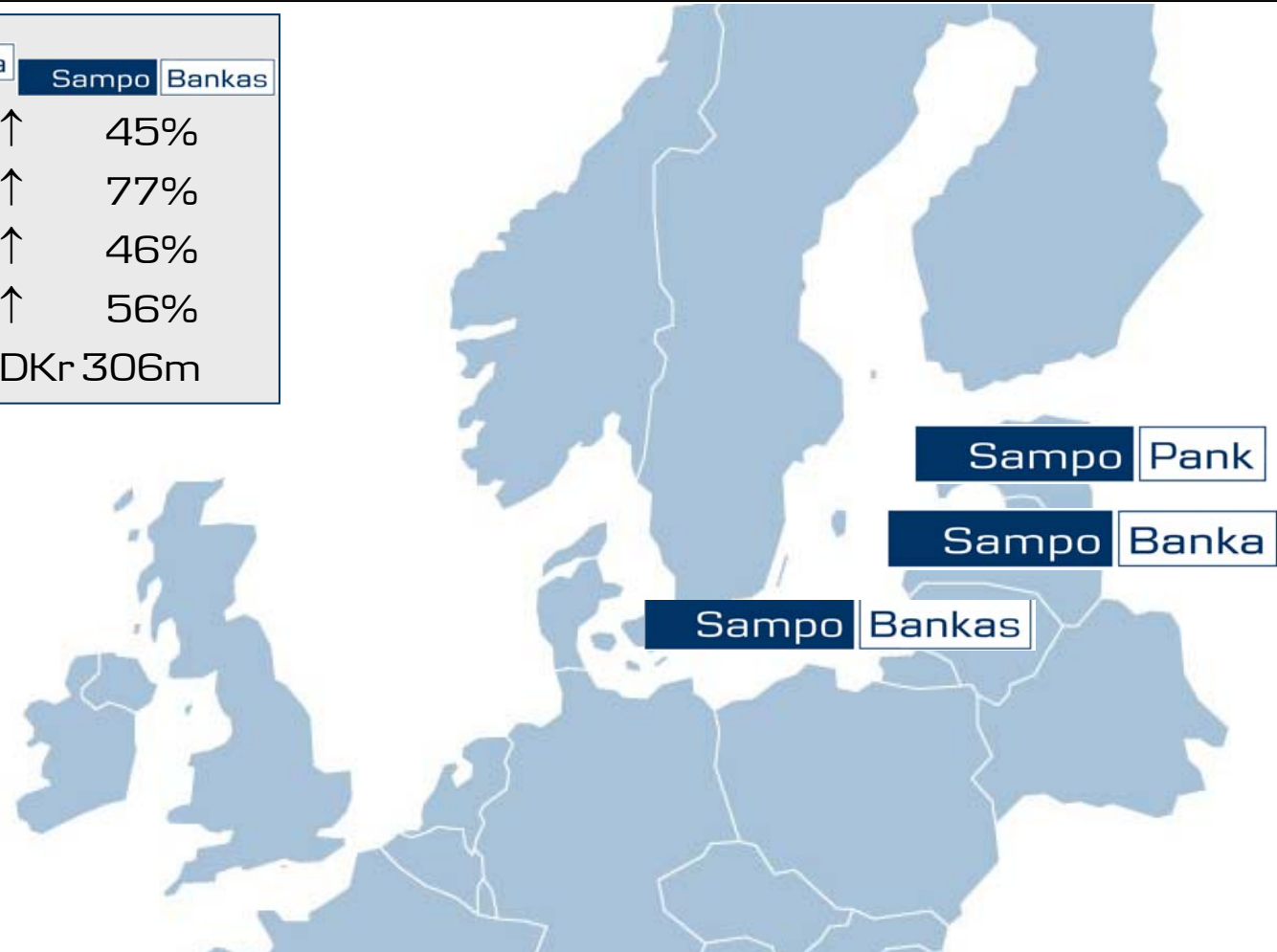
ROE before credit loss expenses and tax



# Banking Activities Baltics

- Marked advance in earnings and selective strategy

	Sampo	Pank	Sampo	Banka	Sampo	Bankas
• Lending			↑		45%	
• Net interest income			↑		77%	
• Income			↑		46%	
• Profit before tax			↑		56%	
• Profit before tax					DKr 306m	



# Realkredit Danmark

- Lower activity, but earnings up

## REALKREDIT Danmark

- Nominal loans           ↑       6%
- Net interest income   ↑       8%
- Income                   ↑       5%
- Profit before tax       ↑       4%
- Profit before tax       DKr 2,806m



## REALKREDIT Danmark

# Danske Markets

- Earnings better than expected despite global financial unrest

## Danske Markets

- Income ↑ 1%
- Trading activities ↑ 12%
- Profit before tax ↓ 12%
- Profit before tax DKr 3,419m

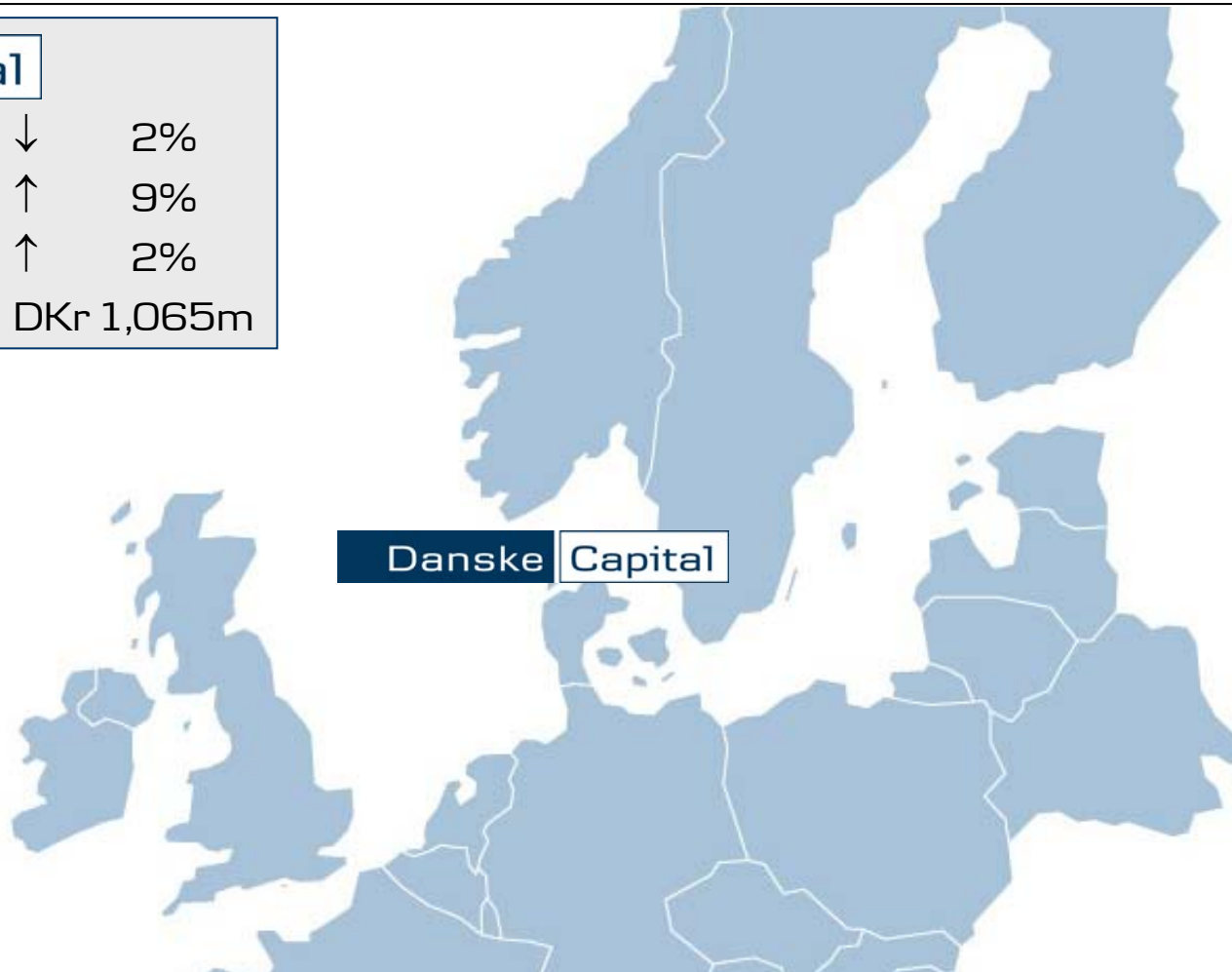
## Danske Markets

A light blue map of Europe is shown in the background. A dark blue callout box with the text 'Danske Markets' is positioned over the geographical location of Denmark.

# Danske Capital

- International expansion

Danske Capital	
• Assets under mgt	↓ 2%
• Income	↑ 9%
• Profit before losses	↑ 2%
• Profit before tax	DKr 1,065m



# Danica Pension

- Good activity, but marked by unrest on capital markets

## Danica Pension

- Premium income      ↑      4%
- Return on investments      1.1%
- Profit before tax      ↓      17%
- Profit before tax      Dkr 1,118m



Danica Pension



# Outlook for 2008

- Growth will continue, especially at units outside Denmark

Net profit up to 7% higher

Greater uncertainty in estimates than usual  
because of capital market unrest

## Assumptions in details

- ! Weighted economic growth in DB markets of 2.5% vs. EU avg. 2.2%
- ! Interest rates declining slightly in core markets
- ! Lending growth below 2007
- ! Volatility in capital markets gradually subsiding
- ! Greater uncertainty in estimates because of capital markets
- ! Risk allowance in Danica can be booked

## Expectations in details

- ✓ 2008 will be another satisfactory year, with income growth of 5%-9%
  - ✓ Rising net interest income and net fee income
  - ✓ Net trading income slightly below 2007
  - ✓ Higher income from insurance business
- ✓ Expenses up 2%-5%
  - ✓ Including investments of Dkr 500m
- ✓ Somewhat higher credit loss expenses
- ✓ Net profit up to 7% higher than in 2007

# Q&A session



The Q&A session will not be webcast

[www.danskebank.com](http://www.danskebank.com)