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# INTERIM REPORT – FIRST QUARTER 2009

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*Interim Report - First Quarter 2009 is a translation of the original report in the Danish language (Delårsrapport - 1. kvartal 2009). In case of discrepancies, the Danish version prevails.*



OPERATIONS IN 14 COUNTRIES / 797 BRANCHES / 5 MILLION CUSTOMERS / 23,154 EMPLOYEES

## Financial highlights – Danske Bank Group

INCOME STATEMENT (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	7,227	6,236	116	7,227	7,365	6,739	6,665	6,236	27,005
Net fee income	1,763	2,213	80	1,763	1,944	1,895	2,058	2,213	8,110
Net trading income	7,479	1,358	-	7,479	2,190	368	2,160	1,358	6,076
Other income	647	1,037	62	647	940	677	931	1,037	3,585
Net income from insurance business	91	-565	-	91	-403	-493	-272	-565	-1,733
<b>Total income</b>	<b>17,207</b>	<b>10,279</b>	<b>167</b>	<b>17,207</b>	<b>12,036</b>	<b>9,186</b>	<b>11,542</b>	<b>10,279</b>	<b>43,043</b>
Operating expenses	6,896	6,323	109	6,896	9,964	5,829	6,610	6,323	28,726
Profit before loan impairment charges	10,311	3,956	261	10,311	2,072	3,357	4,932	3,956	14,317
Loan impairment charges	7,981	542	-	7,981	9,199	1,775	572	542	12,088
Profit before tax	2,330	3,414	68	2,330	-7,127	1,582	4,360	3,414	2,229
Tax	777	847	92	777	-1,242	468	1,120	847	1,193
Net profit for the period	1,553	2,567	60	1,553	-5,885	1,114	3,240	2,567	1,036
Attributable to minority interests	-14	1	-	-14	9	14	1	1	25

### BALANCE SHEET (END OF PERIOD) (DKr m)

Due from credit institutions and central banks	206,842	350,673	59	206,842	215,823	364,847	378,895	350,673	215,823
Loans and advances	1,770,485	1,720,372	103	1,770,485	1,785,323	1,787,844	1,745,803	1,720,372	1,785,323
Repo loans	183,399	274,406	67	183,399	233,971	252,957	247,660	274,406	233,971
Trading portfolio assets	719,675	710,982	101	719,675	860,788	747,052	756,536	710,982	860,788
Investment securities	146,488	42,685	-	146,488	140,793	44,488	46,085	42,685	140,793
Assets under insurance contracts	182,403	186,912	98	182,403	181,259	183,908	183,226	186,912	181,259
Other assets	134,341	157,375	85	134,341	126,017	134,755	133,570	157,375	126,017
<b>Total assets</b>	<b>3,343,633</b>	<b>3,443,405</b>	<b>97</b>	<b>3,343,633</b>	<b>3,543,974</b>	<b>3,515,851</b>	<b>3,491,775</b>	<b>3,443,405</b>	<b>3,543,974</b>
Due to credit institutions and central banks	451,125	597,007	76	451,125	562,726	744,068	648,939	597,007	562,726
Deposits	796,449	871,144	91	796,449	800,297	790,745	872,373	871,144	800,297
Repo deposits	46,661	133,990	35	46,661	74,393	118,615	106,994	133,990	74,393
Bonds issued by Realkredit Danmark	511,118	502,538	102	511,118	479,534	480,521	488,593	502,538	479,534
Other issued bonds	562,128	436,305	129	562,128	526,606	493,890	462,089	436,305	526,606
Trading portfolio liabilities	514,475	431,795	119	514,475	623,290	407,304	427,848	431,795	623,290
Liabilities under insurance contracts	208,972	211,669	99	208,972	210,988	206,976	209,123	211,669	210,988
Other liabilities	95,171	100,003	95	95,171	110,033	109,988	114,682	100,003	110,033
Subordinated debt	58,027	57,830	100	58,027	57,860	57,597	56,329	57,830	57,860
Shareholders' equity	99,507	101,124	98	99,507	98,247	106,147	104,805	101,124	98,247
<b>Total liabilities and equity</b>	<b>3,343,633</b>	<b>3,443,405</b>	<b>97</b>	<b>3,343,633</b>	<b>3,543,974</b>	<b>3,515,851</b>	<b>3,491,775</b>	<b>3,443,405</b>	<b>3,543,974</b>

### RATIOS AND KEY FIGURES

Earnings per share (DKr)	2.3	3.7		2.3	-8.6	1.6	4.7	3.7	1.5
Diluted earnings per share (DKr)	2.3	3.7		2.3	-8.6	1.6	4.7	3.7	1.5
Return on average shareholders' equity p.a. (%)	6.3	9.8		6.3	-23.1	4.2	12.6	9.8	1.0
Cost/income ratio (%)	40.1	61.5		40.1	82.8	63.5	57.3	61.5	66.7
Solvency ratio (%)	12.9	13.6		12.9	13.0	13.9	14.1	13.6	13.0
Core (tier 1) capital ratio (%)	9.0	9.5		9.0	9.2	10.0	10.0	9.5	9.2
Share price (end of period) (DKr)	47.2	174.3		47.2	52.0	124.8	137.0	174.3	52.0
Book value per share (DKr)	143.8	147.5		143.8	142.4	154.3	152.8	147.5	142.4
Full-time-equivalent staff (end of period)	23,154	23,719		23,154	23,624	23,808	23,849	23,719	23,624

## Overview

- In addition to the global financial crisis, a recession has spread globally with plunging manufacturing output, declining asset values, low consumer confidence and a contraction of economic activity. The economic situation appears to be the worst in the past 60 to 70 years.
- The crisis led to an extraordinarily high level of loan impairment charges. On the other hand, the turbulence on the global capital markets in the first quarter of 2009 resulted in wider trading spreads, increased credit margins on trading products that tie up liquidity and great interest in commercial hedging products among customers. These factors created very favourable trading conditions.
- The Danske Bank Group's net profit for the period of Dkr1.6bn was affected by large loan impairment charges that were to a large degree offset by sharply higher net trading income. Overall, the result was less satisfactory, although better than expected.
- Individual impairment charges, primarily against loans to small and medium-sized businesses, amounted to Dkr6.4bn, and collective impairment charges, primarily against facilities to financial counterparties, amounted to Dkr1.6bn. The individual impairment charge for Danske Bank's share of the Danish state guarantee scheme (Bank Package I) amounted to Dkr0.3bn.
- The total income of Dkr17.2bn was the Group's highest quarterly income ever, and the increase was due mainly to exceptionally high earnings at Danske Markets and solid earnings from the Group's banking activities.
- Expenses were in line with expectations.
- Improved lending margins at all banking units largely compensated for the increase in funding costs and narrower deposit margins resulting from interest rate cuts and continuing competitive pressure. Improved lending margins could, however, by no means offset the high level of loan impairment charges.
- The present state of the economy and the outlook are understandably making corporate customers and households reluctant to increase their debt. In the first quarter, however, the Group maintained a healthy level of lending to its core customers. In Denmark, new lending, including renewals, to corporate customers and households amounted to Dkr17bn and Dkr9bn, respectively, for the first quarter, and Dkr71bn and Dkr39bn, respectively, for the past 12 months.
- Total assets fell by around Dkr200bn in the first quarter of 2009, primarily because of the reduction of assets held by Danske Markets.
- At March 31, 2009, the core (tier 1) capital and solvency ratios were 9.0% and 12.9%, respectively.
- The Danish state has approved the Group's application for subordinated loan capital in the form of hybrid core capital totalling Dkr26bn. The loan will raise the Group's core capital ratio to 12% and its solvency ratio to 16%. The core capital and solvency ratios of the parent company will rise to 14% and 18%, respectively. The loan agreement contains an option for the Group to convert, in part, the loan capital into share capital.
- The Group's solid earnings and capital base give it a good foundation for withstanding the effects of the economic slump.
- The financial results for 2009 as a whole will depend greatly on macroeconomic developments in the Group's principal markets and trends in the capital markets. The Group expects the level of loan impairment charges to remain high in 2009, reflecting general economic trends. The turbulent markets are expected to stabilise gradually, however.

## Financial results for the period

### Income

The total income of Dkr17.2bn in the first quarter of 2009 was the highest in the history of the Group, and the increase was due mainly to Danske Markets' exceptionally high earnings. The Group's main source of income, its banking activities, saw a solid increase in net interest income.

Net interest income rose Dkr1.0bn, or 16%, above the level in the first quarter of 2008 despite a steep decline in central banks' average deposit rates of almost two percentage points. Together with increasing funding costs, the decline had a negative effect on net interest income. Lending margins improved, particularly in Denmark, Sweden and Norway. The improvement largely offset the increasing funding costs and the pressure on deposit margins, but it could not compensate for the high level of loan impairment charges.

Net fee income fell Dkr0.5bn to Dkr1.8bn. The fall related primarily to the banking units' income from investment activities, which in the first quarter of 2009 suffered badly from a decline in customer activity in the capital markets and lower lending.

Net trading income posted an extremely strong result, rising Dkr6.1bn to Dkr7.5bn. The Group took advantage of the global financial turmoil and used its strong market position in the Nordic region to boost net trading income.

Trading activities, particularly interest rate and currency hedges, also benefited from increasing customer activity and improved margins on customers. Moreover, a number of large international investment banks revised their business strategies, and this changed competition in the Nordic region.

The unrealised capital loss on the available-for-sale bond portfolio was Dkr0.6bn in the first quarter of 2009. The capital loss is recognised directly in equity.

Other income fell Dkr0.4bn from the level in the first quarter of 2008, when it benefited from proceeds from property sales.

The Group's insurance business generated a profit of Dkr0.1bn, against a loss of Dkr0.6bn in the first quarter of 2008. The return on investments improved by Dkr0.6bn, but not enough to allow booking of the risk allowance.

### Operating expenses

As expected, operating expenses increased 9% to Dkr6.9bn because of the guarantee commission of Dkr0.6bn paid to the Danish state. General increases in wages and prices were offset by lower total integration expenses, reduced performance-based compensation and realised synergies.

PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Danish banking activities	2,483	2,512	99	2,483	2,309	2,984	2,722	2,512	10,527
Non-Danish banking activities	1,767	1,523	116	1,767	1,907	1,658	1,401	1,523	6,489
Total banking activities	4,250	4,035	105	4,250	4,216	4,642	4,123	4,035	17,016
Danske Markets	6,208	171	-	6,208	850	-692	904	171	1,233
Danske Capital	157	242	65	157	140	216	215	242	813
Danica Pension	91	-565	-	91	-403	-493	-272	-565	-1,733
Other Activities	-169	501	-	-169	620	-78	392	501	1,435
Goodwill impairment charges	-	-	-	-	3,084	-	-	-	3,084
Total integration expenses	226	428	53	226	267	238	430	428	1,363
Profit before loan impairment charges	10,311	3,956	261	10,311	2,072	3,357	4,932	3,956	14,317

Business unit figures do not include integration expenses and goodwill impairment charges.

### GDP forecast

As a result of the global financial crisis, GDPs in the Group's principal markets are expected to decline more in 2009 than forecast at the end of 2008.

GDP FORECAST 2009 [%]	At March 31, 2009	At Dec. 31, 2008
Denmark	-2.4	-0.7
Finland	-3.5	-0.3
Sweden	-4.5	-1.7
Norway	-0.5	-0.5
Northern Ireland	-1.3	-0.5
Ireland	-6.0	-2.8
Baltics	-11.0	-3.9
Euro zone	-2.7	-0.7

Source: Danske Research, April 6, 2009

### Loan impairment charges

Loan impairment charges amounted to DKr8.0bn in the first quarter of 2009, against DKr0.5bn in the first quarter of 2008 and DKr9.2bn in the fourth quarter of 2008. Loan impairment charges remained extraordinarily high, reflecting the difficult market conditions and the GDP outlook. Total actual write-offs for the period amounted to DKr0.6bn.

LOAN IMPAIRMENT CHARGES (Q1 2009)			
(DKr m)	Individual	Collective	Total
Banking Activities Denmark	2,855	30	2,885
Banking Activities Finland	226	159	385
Banking Activities Sweden	227	70	297
Banking Activities Norway	260	37	297
Banking Activities Northern Ireland	511	-66	445
Banking Activities Ireland	1,553	-80	1,473
Banking Activities Baltics	142	417	559
Other Banking Activities	-52	-14	-66
Danske Markets	651	1,047	1,698
Danske Capital	25	-17	8
<b>Total</b>	<b>6,398</b>	<b>1,583</b>	<b>7,981</b>

Banking Activities Denmark made individual impairment charges for loans to small and medium-sized businesses within the consumer durables and real property sectors in particular. In the first quarter of 2009, the Group recognised an individual impairment charge of DKr0.3bn to cover expected losses under the loss guarantee to the Danish state under Bank Package I.

With increases in unemployment and forced sales, the need for impairment charges against facilities to retail customers grew. Property prices continued to

decline in 2009, and this led to higher loan-to-value ratios. The delinquency rate of home loans is still relatively low, but it is rising rapidly and is at the highest level in recent years. At March 31, 2009, Realkredit Danmark had 27 foreclosures. This is far from the level at the beginning of the 1990s, when Realkredit Danmark took over more than 4,000 properties in a single year.

At Banking Activities Ireland and Banking Activities Northern Ireland, loan impairment charges were attributable to large individual charges for loans to a number of corporate customers, property developers in particular.

The economic recession in the Baltic countries led the Group to make additional collective impairment charges of DKr0.4bn, but the Group's exposure is modest, only 1.3% of lending.

Danske Markets recognised further impairment charges of DKr1.7bn against facilities to financial counterparties. Some DKr1.0bn of this amount was a collective impairment charge made because of great uncertainty about the value of the underlying assets.

### Tax

Tax on the profit for the period amounted to DKr0.8bn, or 33% of the pre-tax result. The effective tax rate is high because of pre-tax losses in countries where the tax rates are lower than in Denmark, such as Ireland.

### Net profit for the period

The net profit for the first quarter of 2009 was DKr1,553m. Overall, the result was less satisfactory, although better than expected.

## Balance sheet

LENDING (END OF PERIOD) (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Banking Activities Denmark	1,034,386	1,000,668	103	1,034,386	1,043,312	1,016,831	1,005,836	1,000,668	1,043,312
Other, Denmark	45,182	40,090	113	45,182	55,561	39,034	28,551	40,090	55,561
<b>Total Denmark</b>	<b>1,079,568</b>	<b>1,040,758</b>	<b>104</b>	<b>1,079,568</b>	<b>1,098,873</b>	<b>1,055,865</b>	<b>1,034,387</b>	<b>1,040,758</b>	<b>1,098,873</b>
Banking Activities Finland	169,178	167,778	101	169,178	172,617	171,180	166,679	167,778	172,617
Banking Activities Sweden	174,973	167,561	104	174,973	173,732	187,636	178,809	167,561	173,732
Banking Activities Norway	154,541	144,327	107	154,541	141,446	156,682	155,406	144,327	141,446
Banking Activities Northern Ireland	49,694	58,137	85	49,694	53,376	66,482	63,052	58,137	53,376
Banking Activities Ireland	80,035	71,836	111	80,035	79,352	78,717	75,365	71,836	79,352
Banking Activities Baltics	29,852	27,833	107	29,852	30,426	30,146	29,164	27,833	30,426
Other, international	32,644	42,142	77	32,644	35,501	41,136	42,941	42,142	35,501
<b>Total international</b>	<b>690,917</b>	<b>679,614</b>	<b>102</b>	<b>690,917</b>	<b>686,450</b>	<b>731,979</b>	<b>711,416</b>	<b>679,614</b>	<b>686,450</b>
<b>Total lending</b>	<b>1,770,485</b>	<b>1,720,372</b>	<b>103</b>	<b>1,770,485</b>	<b>1,785,323</b>	<b>1,787,844</b>	<b>1,745,803</b>	<b>1,720,372</b>	<b>1,785,323</b>

### DEPOSITS AND BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIOD)

(DKr m)									
Banking Activities Denmark	315,274	316,702	100	315,274	305,373	300,204	306,911	316,702	305,373
Other, Denmark	179,982	245,568	73	179,982	206,416	180,422	252,837	245,568	206,416
<b>Total Denmark</b>	<b>495,256</b>	<b>562,270</b>	<b>88</b>	<b>495,256</b>	<b>511,789</b>	<b>480,626</b>	<b>559,748</b>	<b>562,270</b>	<b>511,789</b>
Banking Activities Finland	95,801	93,306	103	95,801	90,358	89,282	88,855	93,306	90,358
Banking Activities Sweden	59,294	57,130	104	59,294	56,187	59,368	60,431	57,130	56,187
Banking Activities Norway	51,514	56,417	91	51,514	47,426	52,752	57,442	56,417	47,426
Banking Activities Northern Ireland	42,807	52,088	82	42,807	44,459	57,288	55,845	52,088	44,459
Banking Activities Ireland	26,738	23,874	112	26,738	24,556	25,620	24,284	23,874	24,556
Banking Activities Baltics	15,442	11,503	134	15,442	14,962	12,967	11,502	11,503	14,962
Other, international	9,597	14,556	66	9,597	10,560	12,842	14,266	14,556	10,560
<b>Total international</b>	<b>301,193</b>	<b>308,874</b>	<b>98</b>	<b>301,193</b>	<b>288,508</b>	<b>310,119</b>	<b>312,625</b>	<b>308,874</b>	<b>288,508</b>
<b>Total deposits</b>	<b>796,449</b>	<b>871,144</b>	<b>91</b>	<b>796,449</b>	<b>800,297</b>	<b>790,745</b>	<b>872,373</b>	<b>871,144</b>	<b>800,297</b>
Bonds issued by Realkredit Danmark	511,118	502,538	102	511,118	479,534	480,521	488,593	502,538	479,534
Own holdings of Realkredit Danmark bonds	132,031	108,523	122	132,031	168,197	126,997	113,626	108,523	168,197
<b>Total Realkredit Danmark bonds</b>	<b>643,149</b>	<b>611,061</b>	<b>105</b>	<b>643,149</b>	<b>647,731</b>	<b>607,518</b>	<b>602,219</b>	<b>611,061</b>	<b>647,731</b>
Deposits and bonds issued by Realkredit Danmark	1,439,598	1,482,205	97	1,439,598	1,448,028	1,398,263	1,474,592	1,482,205	1,448,028
Lending as % of deposits and bonds issued by Realkredit Danmark	123.0	116.1		123.0	123.3	127.9	118.4	116.1	123.3

### Credit exposure

At March 31, 2009, the Group's total credit exposure was Dkr3,315bn. Some Dkr2,448bn of this amount derived from lending activities in and outside Denmark, and Dkr867bn derived from trading and investment activities.

### Loan portfolio

Loans and advances extended by the Group's operations in Denmark were at the same level as at the end of 2008. Retail lending grew 1%, whereas corporate lending fell 2%.

Excluding the effects of changes in foreign exchange rates, lending outside Denmark fell 1%. Retail lending increased 1%, whereas corporate lending decreased 3%.



LOAN PORTFOLIO CREDIT EXPOSURE (DKr m)	March 31, 2009	Dec. 31, 2008
Banking Activities Denmark	1,133,249	1,130,067
Banking Activities Finland	206,244	207,243
Banking Activities Sweden	215,443	219,689
Banking Activities Norway	188,578	175,408
Banking Activities Northern Ireland	52,627	54,746
Banking Activities Ireland	80,393	81,057
Banking Activities Baltics	32,009	32,130
Other Banking Activities	73,287	61,967
Danske Markets	442,642	534,102
Danske Capital	23,418	23,461
<b>Total</b>	<b>2,447,890</b>	<b>2,519,870</b>

The overall quality of the loan portfolio deteriorated in the first quarter of 2009, reflecting steeply declining industrial output, declining asset values, low consumer confidence and the economic slump. Credit exposure to the Group's two lowest rating categories was DKr43.5bn, against DKr32.6bn at the end of 2008. These rating categories hold the Group's portfolio of non-performing loans. The credit quality of non-performing loans ranges from bankruptcy and suspension of payments to past due amounts (minimum 90 days) and other individual indications of significant financial difficulty. The Group holds collateral for a large portion of this credit exposure.

At March 31, 2009, the allowance account stood at DKr23.5bn, including collective impairment charges of DKr6.4bn.

#### Financial counterparties

Exposure to financial counterparties declined DKr139bn in the first quarter of 2009 and totalled DKr495bn, or 20% of lending, at March 31, 2009.

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

Asset values in the US housing market are extremely volatile and very adversely affected by the deteriorating financial markets. It has become increasingly difficult to accurately measure the value of such assets. Against this background, the Group made a collective impairment charge for these assets.

Exposure to private equity funds was DKr30bn, or less than 1.3% of total lending. The exposure comprises financing of acquisitions and operating companies, primarily in the Nordic market. Credit quality generally deteriorated in the period.

#### Deposits and bonds issued by Realkredit Danmark

Deposits at Banking Activities Denmark grew 3% in the first quarter of 2009. Retail deposits were up 4%, and corporate deposits grew 2%.

Excluding the effects of changes in foreign exchange rates, deposits at units outside Denmark grew 2%. Retail deposits fell 1%, and corporate deposits climbed 4%.

The market value of Realkredit Danmark mortgage bonds, including the Group's own holdings, issued to fund loans provided by Realkredit Danmark was DKr643bn, matching the level at December 31, 2008.

#### Trading and investment activities

Credit exposure relating to trading and investment activities declined from DKr1,003bn at December 31, 2008, to DKr867bn at March 31, 2009. The decline was due primarily to a drop in the positive fair value of conventional interest rate and currency contracts. The Group has made agreements with many of its counterparties to net positive and negative market values. Most of the facilities are secured by collateral management agreements.

The bond portfolio amounted to DKr401bn at March 31, 2009, against DKr423bn at December 31, 2008. Of this amount, the available-for-sale bond portfolio remained at DKr117bn.

Most of the bond portfolio can be refinanced with central banks and therefore forms part of the Group's liquidity reserve.

BOND PORTFOLIO [%]	March 31, 2009	Dec. 31, 2008
Bonds guaranteed by central or local governments	20	16
Bonds issued by quasi-government institutions	2	2
Danish mortgage bonds	38	40
Swedish covered bonds	19	20
Other covered bonds	9	9
Short-dated bonds (CP etc.) primarily with banks	6	7
Credit bonds	6	6
<b>Total holdings</b>	<b>100</b>	<b>100</b>

Short-term bonds are issued primarily by banks in Scandinavia, Finland, Spain and France. Eighty-eight per cent of the bonds have an external investment grade rating, and of those, 46% are rated AA- or higher.

Holdings of credit bonds consist of corporate bonds, including bonds issued by banks, and covered bonds that are not under public supervision. The majority of issuers are based in Italy, Scandinavia, Ireland, Germany, Portugal and the US. Ninety-four per cent of the bonds have an external investment grade rating, and of those, 31% are rated AA- or higher.



The bond portfolio benefited from declining short- and long-term interest rates in the first quarter of 2009. The continued widening of credit spreads had the opposite effect, however. No issuers of bonds in the Group's portfolio have defaulted on their payment obligations.

At March 31, 2009, the Group's VaR, excluding insurance activities at Danica Pension, stood at Dkr0.3bn, against Dkr0.5bn at the end of 2008. The fall was owing to reduced risk taking, which more than compensated for the increase in VaR caused by a model adjustment in 2009. In the adjustment, the most recent figures in the two-year data used to calculate VaR were given the greatest weighting.

#### Solvency

At March 31, 2009, the solvency ratio was 12.9%, with 9.0 percentage points deriving from core (tier 1) capital. At the end of 2008, the solvency ratio was 13.0%, and the core capital ratio was 9.2%.

#### Hybrid core capital

Under the loan agreements with the Danish state, the Group will receive Dkr26bn in the form of subordinated loan capital, including a loan of Dkr2bn to Realkredit Danmark. The effective annual yield is 9.765%. The yield is calculated as the Danish five-year government zero-coupon rate (reference rate), a fixed 6-percentage-point risk premium and a margin of 0.375 of a percentage point per annum determined specifically for the Group. The margin is calculated on the basis of the Group's average external ratings.

The effective annual yield will increase if Danske Bank pays dividends in excess of Dkr3.4bn per annum.

The loans are perpetual, but may be redeemed at par until the end of the fifth year, at a price of 105 until the end of the sixth year and at a price of 110 after the end of the sixth year.

The loans bring the Group's total hybrid core capital to 33.5% of core (tier 1) capital, including hybrid core capital. The agreement on the loan to Danske Bank contains an option to convert, in part, the subordinated loan capital into share capital if the hybrid core capital exceeds 35% of total core capital. The conversion option means that the Group will be able to optimise the use of the loan.

Under the agreement, Danske Bank must convert, in part, the loan into share capital if the hybrid core capital exceeds 50% of total core capital, including hybrid core capital. After conversion, the hybrid core capital may not exceed 35% of total core capital. The loan agreement stipulates that the conversion must be made at market price minus 5%. The conversion option runs for the first five years of the loan, and Danske Bank pays 0.50 of a percentage point per annum for this option. This

payment is included in the above effective annual yield.

The conversion option requires an amendment of the articles of association, and Danske Bank plans to call an extraordinary general meeting for this purpose to be held on May 14, 2009.

The terms and conditions of the loan agreements are available at [www.danskebank.com/ir](http://www.danskebank.com/ir).

The subordinated loans will further enhance the capital base, and the Group will be better prepared to withstand losses caused by the economic recession while maintaining a reasonable level of lending activities.

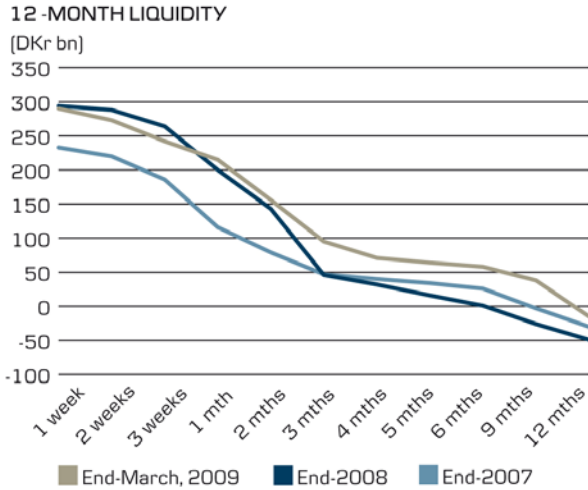
Had the loans been received by March 31, 2009, they would have increased the Group's core (tier 1) capital ratio to 12% and its solvency ratio to 16%. The core capital ratio of the parent company would have increased to 14% and its solvency ratio to 18%. These rates are considerably higher than the statutory minimum requirements.

#### Liquidity

The slow improvement of the financial markets that began at the end of 2008, owing to the financial support packages among other things, continued in the first quarter of 2009.

An element of the Group's liquidity management is the 12-month liquidity curve. In its "Bank Financial Strength Ratings: Global Methodology", Moody's has set various classification requirements for banks' liquidity management. One requirement is that the 12-month liquidity curve must generally be positive. Liquidity calculations must assume that the Group is cut off from the capital markets, among other factors. This implies that short- and long-term bonds as well as subordinated debt are not refinanced at maturity.

In the first quarter, the liquidity curve improved by about Dkr40-60bn in the period from three to nine months ahead and by more than Dkr30bn 12 months ahead. The improvement reflects Danske Bank's issuance of bonds with terms of up to 18 months. The liquidity has improved across the curve since the end of 2007.



The international debt markets for long-term funding continue to suffer under the financial crisis. To optimise liquidity management and prepare for the transitional period after the expiry of the Danish state guarantee, the Group is taking various measures to raise long-term funding.

There is much unexploited potential in loans that can serve as collateral for covered bonds. In addition, the Group is making a great effort to factor in liquidity in its pricing of loans and deposits.

In addition to the hybrid core capital from the Danish state, the Group has decided to apply for a Danish state guarantee available to Danish credit institutions that specifically covers senior debt issued up to December 31, 2010, with a term of up to three years. The Group's use of the guarantee will depend on market conditions and its needs.

**Ratings**

After the publication of Annual Report 2008, Danske Bank was downgraded by Standard & Poor's (from AA- to A+), Moody's (from Aa1 to Aa3) and Fitch Ratings (from AA- to A+).

## Outlook for 2009

The recession in the real economy and the deep financial crisis have created a generally more difficult business environment.

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

Danish GDP is now expected to contract by 2.4% in 2009. At the publication of Annual Report 2008, the forecast was for a contraction of 0.7%. The Group's other markets are expected to see similarly negative developments, and the outlook for Ireland and the Baltic region is particularly bleak.

Short-term interest rates fell by around two percentage points in the first quarter of 2009. The remainder of 2009 is likely to see only minor interest rate cuts.

In recent years, the labour market in Denmark has been very tight. As the demand for goods and services has slowed, unemployment has begun to rise, although the level will probably remain relatively low.

Because of the economic climate, the Group expects the level of loan impairment charges to remain high throughout 2009. The turbulent markets are expected to stabilise gradually, however.

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

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

The year 2009 will be a very challenging year for the financial sector. The Group's solid earnings and capital base and its strong focus on risk, liquidity and capital management give it a good foundation for withstanding the effects of the economic slump. The Group will further strengthen this foundation by adjusting prices, product ranges and costs, and by continuing to focus on risk, liquidity and capital management.

## Business units

INCOME (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Banking Activities Denmark	5,522	4,773	116	5,522	5,631	5,335	5,254	4,773	20,993
Other banking activities in Denmark	227	478	47	227	264	216	245	478	1,203
<b>Total Denmark</b>	<b>5,749</b>	<b>5,251</b>	<b>109</b>	<b>5,749</b>	<b>5,895</b>	<b>5,551</b>	<b>5,499</b>	<b>5,251</b>	<b>22,196</b>
Banking Activities Finland	1,281	1,236	104	1,281	1,320	1,141	1,011	1,236	4,708
Banking Activities Sweden	616	688	90	616	811	724	730	688	2,953
Banking Activities Norway	902	674	134	902	724	775	795	674	2,968
Banking Activities Northern Ireland	398	518	77	398	473	498	524	518	2,013
Banking Activities Ireland	389	348	112	389	437	371	359	348	1,515
Banking Activities Baltics	213	220	97	213	257	189	263	220	929
Other non-Danish banking activities	93	91	102	93	100	91	94	91	376
<b>Total international</b>	<b>3,892</b>	<b>3,775</b>	<b>103</b>	<b>3,892</b>	<b>4,122</b>	<b>3,789</b>	<b>3,776</b>	<b>3,775</b>	<b>15,462</b>
Danske Markets	7,031	912	-	7,031	1,399	-76	1,528	912	3,763
Danske Capital	388	470	83	388	369	419	439	470	1,697
Danica Pension	91	-565	-	91	-403	-493	-272	-565	-1,733
Other Activities	56	436	13	56	654	-4	572	436	1,658
<b>Total Group</b>	<b>17,207</b>	<b>10,279</b>	<b>167</b>	<b>17,207</b>	<b>12,036</b>	<b>9,186</b>	<b>11,542</b>	<b>10,279</b>	<b>43,043</b>

**Banking Activities** caters to all types of retail and corporate customers. The Group's finance centres serve large businesses and private banking customers. Mortgage finance operations in Denmark are carried out through Realkredit Danmark. Real-estate agency operations are conducted by "home", Skandia Mäklarna and Fokus Krogsveen – the Group's real-estate agency chains. The aggregate property finance operations are thus included in Banking Activities. At January 1, 2009, the activities of Banking Activities Russia were transferred from Banking Activities Finland to Other Banking Activities.

**Danske Markets** is responsible for the Group's activities in the financial markets. Trading activities include trading in fixed-income products, foreign exchange, equities and interest-bearing securities. Danske Markets provides financial products, advisory services on mergers and acquisitions, and assistance with equity and debt issues in the international financial markets to large corporate customers and institutional clients. Group Treasury is responsible for the Bank's short-term holdings. The investment portfolio covers the Bank's strategic fixed-income, foreign exchange and equity portfolios. Institutional banking covers facilities with international financial institutions outside the Nordic region. Facilities with Nordic financial institutions form part of the Group's banking activities.

**Danske Capital** develops and sells asset and wealth management products and services. They are marketed through the Group's banking units and directly to businesses, institutional clients and external distributors. Danske Capital supports the advisory and asset management activities of the Group's banking units, and through Danske Bank

International in Luxembourg, it provides international private banking services to clients outside the Group's home markets. Danske Capital is represented in Denmark, Sweden, Norway, Finland, Estonia, Lithuania and Luxembourg.

**Danica Pension** is responsible for the Group's activities in the life insurance and pensions market. Danica Pension targets both personal and corporate customers. Its products are marketed through a wide 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 profile, and the return on savings depends on market trends. Furthermore, Danica Pension offers *Danica Traditionel*. This product does not offer individual investment profiles, and Danica Pension sets the rate of interest on policyholders' savings.

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

BRANCHES  
372

EMPLOYEES  
6,172

PRE-TAX PROFIT  
DKr-391m

MARKET SHARE OF LENDING  
29.4%

## Banking Activities Denmark

BANKING ACTIVITIES DENMARK (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	4,211	3,521	120	4,211	4,315	3,933	3,786	3,521	15,555
Net fee income	854	971	88	854	880	905	1,083	971	3,839
Net trading income	233	234	100	233	186	282	124	234	826
Other income	224	47	-	224	250	215	261	47	773
Total income	5,522	4,773	116	5,522	5,631	5,335	5,254	4,773	20,993
Operating expenses	3,028	2,365	128	3,028	3,245	2,394	2,604	2,365	10,608
Profit before loan impairment charges	2,494	2,408	104	2,494	2,386	2,941	2,650	2,408	10,385
Loan impairment charges	2,885	335	-	2,885	3,319	448	252	335	4,354
Profit before tax	-391	2,073	-	-391	-933	2,493	2,398	2,073	6,031
Loans and advances (end of period)	1,034,386	1,000,668	103	1,034,386	1,043,312	1,016,831	1,005,836	1,000,668	1,043,312
Deposits (end of period)	315,274	316,702	100	315,274	305,373	300,204	306,911	316,702	305,373
Bonds issued by Realkredit Danmark	643,149	611,061	105	643,149	647,731	607,518	602,219	611,061	647,731
Allocated capital (avg.)	40,002	37,552	107	40,002	39,682	38,753	38,626	37,552	38,656
Profit before loan impairment charges as % p.a. of allocated capital	24.9	25.6		24.9	24.1	30.4	27.4	25.6	26.9
Pre-tax profit as % p.a. of allocated capital (ROE)	-3.9	22.1		-3.9	-9.4	25.7	24.8	22.1	15.6
Cost/income ratio [%]	54.8	49.5		54.8	57.6	44.9	49.6	49.5	50.5

At April 1, 2008, the activities of Nordania Leasing within real property, construction and agricultural machinery, and capital and IT equipment were transferred from Other Banking Activities. Comparative figures have not been restated.

- Large loan impairment charges caused a pre-tax loss
- Profit before loan impairment charges up 4%
- Net interest income up 20%
- Improved lending margins
- Growth in lending
- Unchanged market share

The crisis in the Danish economy continued into the first quarter of 2009. Against the backdrop of declining asset values in the equity and housing markets and rising unemployment, the Group expects consumer spending to continue to decrease throughout the year. Danish GDP is set to contract by about 2.4% in 2009.

Net interest income rose 20%, mainly because of the widening of lending margins since the first quarter of 2008. By contrast, deposit margins fell, with a negative effect on earnings.

Total lending exceeded the level in the first quarter of 2008 by 3%, with retail lending up 4% and corporate lending up 3%. Total deposits matched the level in the first quarter of 2008: retail deposits rose 5%, while corporate deposits fell 6%. The market value of mortgage bonds issued to fund loans provided by Realkredit Danmark increased 5%.

Operating expenses included the guarantee commission of DKr0.6bn paid to the Danish state.

Loan impairment charges came to DKr2.9bn, against DKr3.3bn for the fourth quarter of 2008. The amount included charges against loans to retail customers and small and medium-sized businesses within the consumer durables and real property sectors. The Group also recognised an individual impairment charge of DKr0.3bn to cover expected losses under the loss guarantee to the Danish state under Bank Package I. With increases in forced sales and unemployment, the need for impairment charges against facilities to retail customers grew. Total financial stability expenses thus amounted to DKr0.9bn in the first quarter of 2009.

Most of Realkredit Danmark's impairment charges related to corporate loans. At the end of March, 2009, payments were more than 90 days past due on 1,966 out of a total of 421,000 loans. The figure was 1,451 at the end of 2008.

Banking Activities Denmark's market share of lending, including mortgage loans, was 29.4% at March 31, 2009, down from 29.9% a year earlier, while its share of deposits was 29.1%, down from 30.4%.



BRANCHES  
122

EMPLOYEES  
2,273

PRE-TAX PROFIT  
DKr17m

MARKET SHARE OF LENDING  
13.6%

## Banking Activities Finland

BANKING ACTIVITIES FINLAND (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	921	796	116	921	930	826	800	796	3,352
Net fee income	263	362	73	263	326	206	143	362	1,037
Net trading income	13	11	118	13	44	23	-	11	78
Other income	84	67	125	84	20	86	68	67	241
Total income	1,281	1,236	104	1,281	1,320	1,141	1,011	1,236	4,708
Amortisation of intangible assets	118	117	101	118	116	118	118	117	469
Integration expenses	69	172	40	69	107	64	239	172	582
Other operating expenses	692	760	91	692	720	612	800	760	2,892
Operating expenses	879	1,049	84	879	943	794	1,157	1,049	3,943
Profit before loan impairment charges	402	187	215	402	377	347	-146	187	765
Loan impairment charges	385	-28	-	385	395	123	21	-28	511
Profit before tax	17	215	8	17	-18	224	-167	215	254
Profit before tax in local currency (€)	2	29	7	2	-2	30	-23	29	34
Loans and advances (end of period)	169,178	167,778	101	169,178	172,617	171,180	166,679	167,778	172,617
Deposits (end of period)	95,801	93,306	103	95,801	90,358	89,282	88,855	93,306	90,358
Allocated capital (avg.)	7,774	7,765	100	7,774	7,675	7,568	7,484	7,765	7,623
Profit before loan impairment charges as % p.a. of allocated capital	20.7	9.6		20.7	19.6	18.3	-7.8	9.6	10.0
Pre-tax profit as % p.a. of allocated capital (ROE)	0.9	11.1		0.9	-0.9	11.8	-8.9	11.1	3.3
Cost/income ratio (%)	68.6	84.9		68.6	71.4	69.6	114.4	84.9	83.8
Cost/income ratio, excluding total integration expenses (%)	54.0	61.5		54.0	54.5	53.6	79.1	61.5	61.4

- Profit before loan impairment charges up 115%
- Net interest income up 16%
- Significantly improved cost/income ratio
- Higher impairment charges than in the first quarter of 2008

The first quarter of 2009 saw lower growth in Finland because of the global recession, and this resulted in falling demand and rising unemployment. Forecasts indicate a contraction of Finnish GDP of about 3.5% in 2009.

Net interest income rose 16% over the level in the first quarter of 2008. One reason was extraordinary income of about DKr60m from the favourable outcome of a lawsuit.

Owing primarily to a decline in integration expenses and realised synergies, operating expenses fell 16% and were significantly lower than in 2008.

Total lending was in line with the level in the first quarter of 2008. Retail lending was down 4%, while corporate lending was up 7%.

Total deposits rose 3% over the year-earlier figure. Retail deposits were unchanged, while corporate deposits climbed 5%.

Loan impairment charges were on a par with the level in the fourth quarter of 2008 and related mainly to facilities to small and medium-sized businesses. The economic downturn led to a need for collective impairment charges.

At March 31, 2009, Banking Activities Finland's market share of lending was 13.6%, down from 14.4% a year earlier, while its share of deposits was 11.9%, down from 13.6%.





## Banking Activities Sweden

BANKING ACTIVITIES SWEDEN (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	456	472	97	456	610	531	507	472	2,120
Net fee income	130	180	72	130	162	153	178	180	673
Net trading income	21	26	81	21	26	28	28	26	108
Other income	9	10	90	9	13	12	17	10	52
Total income	616	688	90	616	811	724	730	688	2,953
Operating expenses	341	384	89	341	390	380	401	384	1,555
Profit before loan impairment charges	275	304	90	275	421	344	329	304	1,398
Loan impairment charges	297	67	-	297	391	30	32	67	520
Profit before tax	-22	237	-	-22	30	314	297	237	878
Profit before tax in local currency (SKr)	-33	301	-	-33	5	402	373	301	1,081
Loans and advances (end of period)	174,973	167,561	104	174,973	173,732	187,636	178,809	167,561	173,732
Deposits (end of period)	59,294	57,130	104	59,294	56,187	59,368	60,431	57,130	56,187
Allocated capital (avg.)	8,484	7,766	109	8,484	9,006	8,612	8,367	7,766	8,440
Profit before loan impairment charges as % p.a. of allocated capital	13.0	15.7		13.0	18.7	16.0	15.7	15.7	16.6
Pre-tax profit as % p.a. of allocated capital (ROE)	-1.0	12.2		-1.0	1.3	14.6	14.2	12.2	10.4
Cost/income ratio (%)	55.4	55.8		55.4	48.1	52.5	54.9	55.8	52.7

- Profit before loan impairment charges up 6% in local currency
- Depreciation of local currency (Swedish krona)
- Improved lending margins
- Deposit margins under pressure
- Higher impairment charges than in the first quarter of 2008

Lower economic growth as a result of lower demand, rising unemployment and continued financial turmoil were characteristic factors of the first quarter of 2009 in Sweden. Forecasts indicate a contraction of Swedish GDP of about 4.5% in 2009.

Total income declined 10% from the year-earlier figure. The reasons included a decrease in net fee income caused by lower brokerage and custody fees, particularly within investments. Moreover, net interest income declined from the level in the first quarter of 2008 owing to narrower deposit margins in the retail and corporate segments. Deposit margins came under pressure because the Swedish central bank made several large interest rate cuts. Another factor was the keener market-driven competition for deposits. Lending margins exceeded the level in the first quarter of 2008.

Operating expenses fell 11% from the level in the first quarter of 2008. The decline was attributable to the depreciation of the Swedish krona and stronger focus on costs in general.

Lending rose 22% over the level a year ago in local currency, with retail lending gaining 18% and corporate lending 24%.

In local currency, total deposits increased 21% over the figure for the first quarter of 2008, with retail deposits up 14% and corporate deposits up 24%.

Difficult conditions for businesses led to loan impairment charges of DKr297m, against DKr391m for the fourth quarter of 2008.

At March 31, 2009, Banking Activities Sweden's market share of lending was 6.6%, up from 5.9% a year earlier, while its share of deposits was 5.2%, up from 4.7%.





## Banking Activities Norway

BANKING ACTIVITIES NORWAY (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	666	468	142	666	588	529	510	468	2,095
Net fee income	90	101	89	90	87	102	104	101	394
Net trading income	49	43	114	49	15	50	44	43	152
Other income	97	62	156	97	34	94	137	62	327
Total income	902	674	134	902	724	775	795	674	2,968
Goodwill impairment charge	-	-	-	-	141	-	-	-	141
Other operating expenses	451	422	107	451	421	452	478	422	1,773
Operating expenses	451	422	107	451	562	452	478	422	1,914
Profit before loan impairment charges	451	252	179	451	162	323	317	252	1,054
Loan impairment charges	297	28	-	297	437	6	18	28	489
Profit before tax	154	224	69	154	-275	317	299	224	565
Profit before tax in local currency (Nkr)	184	241	76	184	-404	343	318	241	498
Loans and advances (end of period)	154,541	144,327	107	154,541	141,446	156,682	155,406	144,327	141,446
Deposits (end of period)	51,514	56,417	91	51,514	47,426	52,752	57,442	56,417	47,426
Allocated capital (avg.)	7,705	6,688	115	7,705	7,921	7,761	7,410	6,688	7,447
Profit before loan impairment charges as % p.a. of allocated capital	23.4	15.1		23.4	8.2	16.6	17.1	15.1	14.2
Pre-tax profit as % p.a. of allocated capital (ROE)	8.0	13.4		8.0	-13.9	16.3	16.1	13.4	7.6
Cost/income ratio (%)	50.0	62.6		50.0	77.6	58.3	60.1	62.6	64.5
Cost/income ratio, excluding goodwill impairment charge (%)	50.0	62.6		50.0	58.1	58.3	60.1	62.6	59.7

- Profit before loan impairment charges up 79%
- Depreciation of local currency (Norwegian krone)
- Improved cost/income ratio
- Higher impairment charges than in the first quarter of 2008

The first three months of 2009 saw continued turmoil in the financial markets and a slowdown in the Norwegian economy, as evidenced by markedly lower consumer spending. Against this background, Norwegian GDP is set to contract by about 0.5% in 2009.

Total income rose 34% over the level a year earlier. Net interest income increased because of wider deposit and lending margins.

Total lending exceeded the level recorded in the first quarter of 2008 by 18% in local currency, with retail lending up 6% and corporate lending up 26%.

Total deposits rose 1% over the year-earlier figure in local currency. Retail deposits grew 6%, while corporate deposits slipped 1%.

Loan impairment charges of DKr297m, against DKr437m for the fourth quarter of 2008, were occasioned mainly by conditions in the increasingly troubled industrial sector.

At the end of March 2009, Banking Activities Norway's market share of lending was 6.3%, while its share of deposits was 4.4%, both largely unchanged from the levels at March 31, 2008.



BRANCHES  
89

EMPLOYEES  
1,297

PRE-TAX PROFIT  
DKr-363m

## Banking Activities Northern Ireland

BANKING ACTIVITIES NORTHERN IRELAND (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	326	400	82	326	344	372	392	400	1,508
Net fee income	70	95	74	70	82	94	91	95	362
Net trading income	-	21	-	-	43	28	32	21	124
Other income	2	2	100	2	4	4	9	2	19
Total income	398	518	77	398	473	498	524	518	2,013
Operating expenses	316	371	85	316	321	336	335	371	1,363
Profit before loan impairment charges	82	147	56	82	152	162	189	147	650
Loan impairment charges	445	29	-	445	415	143	54	29	641
Profit before tax	-363	118	-	-363	-263	19	135	118	9
Profit before tax in local currency (£)	-45	12	-	-45	-40	2	14	12	-12
Loans and advances (end of period)	49,694	58,137	85	49,694	53,376	66,482	63,052	58,137	53,376
Deposits (end of period)	42,807	52,088	82	42,807	44,459	57,288	55,845	52,088	44,459
Allocated capital (avg.)	1,947	2,614	74	1,947	2,219	2,457	2,510	2,614	2,449
Profit before loan impairment charges as % p.a. of allocated capital	16.8	22.5		16.8	27.4	26.4	30.1	22.5	26.5
Pre-tax profit as % p.a. of allocated capital (ROE)	-74.6	18.1		-74.6	-47.4	3.1	21.5	18.1	0.4
Cost/income ratio (%)	79.4	71.6		79.4	67.9	67.5	63.9	71.6	67.7

- Large loan impairment charges caused a pre-tax loss
- Profit before loan impairment charges down 31% in local currency
- Depreciation of local currency (pound sterling)
- Deposits unchanged in local currency

In Northern Ireland, the economic downturn and the turmoil in the financial markets continued in the first quarter of 2009, as reflected in shrinking demand, declining activity in the housing market and a depreciation of the pound sterling. Forecasts indicate a contraction of Northern Ireland GDP of about 1.3% in 2009.

In comparison with the first quarter of 2008, net interest income fell 3% in local currency, reflecting lower activity and increased price competition. Retail deposit margins – and to a lesser degree corporate deposit margins – narrowed sharply because of central-bank interest rate cuts. A moderate widening of lending margins was not sufficient to offset the decline.

The difficult market conditions, coupled with the depreciation of the pound sterling, caused total income to decline 23% from the level a year earlier.

Operating expenses in the first quarter of 2009 included DKr49m in expenses for the Financial Services Compensation Scheme.

Retail lending rose 12% in local currency over the level in the first quarter of 2008. Excluding public-sector loans and deposits, corporate lending was up 6%. Deposits were stable.

Loan impairment charges came to DKr445m, against DKr415m for the fourth quarter of 2008. The charges were made against a number of corporate facilities within the property segment in particular.

BRANCHES  
61EMPLOYEES  
629PRE-TAX PROFIT  
DKr-1,315mMARKET SHARE OF LENDING  
4.8%

## Banking Activities Ireland

BANKING ACTIVITIES IRELAND (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	339	287	118	339	378	317	302	287	1,284
Net fee income	33	42	79	33	42	37	39	42	160
Net trading income	15	14	107	15	16	14	18	14	62
Other income	2	5	40	2	1	3	-	5	9
Total income	389	348	112	389	437	371	359	348	1,515
Goodwill impairment charge	-	-	-	-	2,940	-	-	-	2,940
Other operating expenses	231	265	87	231	248	243	235	265	991
Operating expenses	231	265	87	231	3,188	243	235	265	3,931
Profit before loan impairment charges	158	83	190	158	-2,751	128	124	83	-2,416
Loan impairment charges	1,473	34	-	1,473	1,002	509	155	34	1,700
Profit before tax	-1,315	49	-	-1,315	-3,753	-381	-31	49	-4,116
Profit before tax in local currency (€)	-177	6	-	-177	-503	-51	-4	6	-552
Loans and advances (end of period)	80,035	71,836	111	80,035	79,352	78,717	75,365	71,836	79,352
Deposits (end of period)	26,738	23,874	112	26,738	24,556	25,620	24,284	23,874	24,556
Allocated capital (avg.)	3,307	3,035	109	3,307	3,360	3,233	3,128	3,035	3,190
Profit before loan impairment charges as % p.a. of allocated capital	19.1	10.9		19.1	-327.5	15.8	15.9	10.9	-75.7
Pre-tax profit as % p.a. of allocated capital (ROE)	-159.1	6.5		-159.1	-446.8	-47.1	-4.0	6.5	-129.0
Cost/income ratio, excluding goodwill impairment charge (%)	59.4	76.1		59.4	56.8	65.5	65.5	76.1	65.4

- Large loan impairment charges caused a pre-tax loss
- Profit before loan impairment charges up 90%
- Operating expenses down 13%
- Significant loan impairment charges
- Improved cost/income ratio

In the first three months of 2009, Ireland experienced lower economic growth and turmoil in the financial markets, as reflected in rising unemployment and falling housing prices. Because of the critical market situation, Irish GDP is set to contract by about 6.0% in 2009.

Total income rose 12% over the level in the first quarter of 2008, owing primarily to an increase in net interest income generated by higher lending volumes and wider margins. Increased competition has squeezed deposit margins. Net interest income also suffered from higher funding costs.

Operating expenses declined 13% from the year-earlier figure, mainly because of lower marketing expenses and staff costs as well as generally tight cost control.

Total lending exceeded the level in the first quarter of 2008 by 11%, with retail lending up 11% and corporate lending up 12%, but has been unchanged for the past three quarters.

Deposits grew 12% over the level a year earlier. Retail deposits fell 7%, while corporate deposits rose 40%.

Loan impairment charges amounted to DKr1,473m, against DKr1,002m for the fourth quarter of 2008. In the first quarter of 2009, the Group had a high level of individual impairment charges against facilities to corporate customers in the property sector.

At March 31, 2009, Banking Activities Ireland's market share of lending was 4.8%, while its share of deposits was 3.1% – on a par with the shares a year before.



## Banking Activities Baltics

BANKING ACTIVITIES BALTICS (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	143	162	88	143	173	140	163	162	638
Net fee income	32	36	89	32	39	43	44	36	162
Net trading income	35	18	194	35	37	2	52	18	109
Other income	3	4	75	3	8	4	4	4	20
<b>Total income</b>	<b>213</b>	<b>220</b>	<b>97</b>	<b>213</b>	<b>257</b>	<b>189</b>	<b>263</b>	<b>220</b>	<b>929</b>
Operating expenses	98	132	74	98	126	132	135	132	525
Profit before loan impairment charges	115	88	131	115	131	57	128	88	404
Loan impairment charges	559	15	-	559	213	41	26	15	295
Profit before tax	-444	73	-	-444	-82	16	102	73	109
Loans and advances (end of period)	29,852	27,833	107	29,852	30,426	30,146	29,164	27,833	30,426
Deposits (end of period)	15,442	11,503	134	15,442	14,962	12,967	11,502	11,503	14,962
Allocated capital (avg.)	1,512	1,409	107	1,512	1,555	1,536	1,472	1,409	1,493
Profit before loan impairment charges as % p.a. of allocated capital	30.4	25.0		30.4	33.7	14.8	34.8	25.0	27.1
Pre-tax profit as % p.a. of allocated capital (ROE)	-117.5	20.7		-117.5	-21.1	4.2	27.7	20.7	7.3
Cost/income ratio (%)	46.0	60.0		46.0	49.0	69.8	51.3	60.0	56.5

PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKr m)									
Estonia	109	69	158	109	86	74	108	69	337
Latvia	11	2	-	11	10	-4	1	2	9
Lithuania	-5	17	-	-5	35	-13	19	17	58
<b>Total Banking Activities Baltics</b>	<b>115</b>	<b>88</b>	<b>131</b>	<b>115</b>	<b>131</b>	<b>57</b>	<b>128</b>	<b>88</b>	<b>404</b>

- Large loan impairment charges caused a pre-tax loss
- Profit before loan impairment charges up 31%
- Improved cost/income ratio
- Increase in deposits
- Large imbalances in the Baltic economies

The first quarter of 2009 saw large imbalances in the economies of Estonia, Latvia and Lithuania. Against this backdrop, Baltic GDPs are set to contract by an average of 11.0% in 2009.

Despite lower net interest and net fee income, total income was on a par with the year-earlier figure, due mainly to an increase in net trading income.

Operating expenses declined 26% from DKr132m in the first quarter of 2008 to DKr98m. Staff reductions contributed to the decline.

Total lending exceeded the level in the first quarter of 2008 by 7%, with retail lending up 11% and corporate lending up 4%. Lending has been stable for the past four quarters.

Total deposits rose 34%. Retail deposits advanced 40%, and corporate deposits grew 32%.

Loan impairment charges came to DKr559m, against DKr213m for the fourth quarter of 2008. The economic recession in the Baltic countries led the Group to make additional collective impairment charges of DKr0.4bn. The exposure is relatively modest, however.

EMPLOYEES  
312

PRE-TAX PROFIT  
DKr123m

## Other Banking Activities

OTHER BANKING ACTIVITIES (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	86	106	81	86	98	87	78	106	369
Net fee income	22	25	88	22	21	11	16	25	73
Net trading income	7	11	64	7	13	12	9	11	45
Other income	205	427	48	205	232	197	236	427	1,092
Total income	320	569	56	320	364	307	339	569	1,579
Operating expenses	263	421	62	263	364	195	229	421	1,209
Profit before loan impairment charges	57	148	39	57	-	112	110	148	370
Loan impairment charges	-66	60	-	-66	40	-77	-1	60	22
Profit before tax	123	88	140	123	-40	189	111	88	348
Loans and advances (end of period)	22,778	34,654	66	22,778	22,867	24,571	24,551	34,654	22,867
Deposits (end of period)	3,728	4,375	85	3,728	4,269	4,078	4,175	4,375	4,269
Allocated capital (avg.)	1,597	2,379	67	1,597	1,655	1,698	1,619	2,379	1,837
Profit before loan impairment charges as % p.a. of allocated capital	14.3	24.9		14.3	-	26.4	27.2	24.9	20.1
Pre-tax profit as % p.a. of allocated capital (ROE)	30.8	14.8		30.8	-9.7	44.5	27.4	14.8	18.9
Cost/income ratio (%)	82.2	74.0		82.2	100.0	63.5	67.6	74.0	76.6

### PROFIT BEFORE TAX (DKr m)

Nordania Leasing	-16	46	-	-16	-110	29	39	46	4
Banking Activities Germany	121	24	-	121	45	138	56	24	263
Banking Activities Poland	17	18	94	17	25	22	16	18	81
Banking Activities Russia	1	-	-	1	-	-	-	-	-
Total Other Banking Activities	123	88	140	123	-40	189	111	88	348

- Profit before loan impairment charges down 61%
- Lower earnings from the sale of lease assets

The economic slowdown and the global financial turmoil affected Other Banking Activities in the first quarter of 2009. Both Germany and Poland are likely to see their GDPs contract in 2009.

Nordania Leasing's pre-tax profit fell DKr62m from the year-earlier figure to a pre-tax loss of DKr16m. At April 1, 2008, Nordania Leasing activities were merged into Banking Activities Denmark and partly Banking Activities Norway, and this change alone added DKr183m to the profit before tax. The overall fall in profit was attributable to loan impairment charges, lower earnings from the sale of lease assets, higher funding costs and severance payments.

Banking Activities Germany's profit before tax rose DKr97m over the level in the first quarter of 2008, primarily because of reversals of impairment charges.

Profit before tax at Banking Activities Poland was on a par with the year-earlier level.

Operating expenses were down 38% from the level in the first quarter of 2008, owing mainly to the transfer of activities from Nordania Leasing.

EMPLOYEES  
888

TOTAL INCOME  
DKr7,031m

PRE-TAX PROFIT  
DKr4,510m

## Danske Markets

DANSKE MARKETS (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Total income	7,031	912	-	7,031	1,399	-76	1,528	912	3,763
Operating expenses	823	741	111	823	549	616	624	741	2,530
Profit before loan impairment charges	6,208	171	-	6,208	850	-692	904	171	1,233
Loan impairment charges	1,698	-	-	1,698	2,679	558	-	-	3,237
Profit before tax	4,510	171	-	4,510	-1,829	-1,250	904	171	-2,004
Loans and advances (end of period)	71,550	51,393	139	71,550	71,357	61,016	48,606	51,393	71,357
Deposits (end of period)	180,969	228,510	79	180,969	207,524	179,911	253,028	228,510	207,524
Net trading and investment portfolio	455,878	374,898	122	455,878	499,560	473,771	444,394	374,898	499,560
Allocated capital (avg.)	5,351	2,141	250	5,351	4,470	2,842	2,480	2,141	2,987
Profit before loan impairment charges as % p.a. of allocated capital	464.1	31.9		464.1	76.1	-97.4	145.8	31.9	41.3
Pre-tax profit as % p.a. of allocated capital (ROE)	337.1	31.9		337.1	-163.7	-175.9	145.8	31.9	-67.1
Cost/income ratio (%)	11.7	81.3		11.7	39.2	-810.5	40.8	81.3	67.2

### TOTAL INCOME (DKr m)

Trading activities	7,534	1,745	-	7,534	2,634	1,402	1,580	1,745	7,361
Group Treasury	-589	-943	-	-589	-1,289	-1,582	-182	-943	-3,996
Institutional banking	86	110	78	86	54	104	130	110	398
Total Danske Markets	7,031	912	-	7,031	1,399	-76	1,528	912	3,763

Proprietary trading activities were merged into Group Treasury at January 1, 2009.

- Strong increase in profit before loan impairment charges, fuelled by Trading activities
- High customer activity
- Successful exploitation of global market imbalances
- Need for loan impairment charges, in contrast to the first quarter of 2008

Profit before tax rose to DKr4.5bn, up from DKr0.2bn in the first quarter of 2008.

Customer-driven trading income increased as a result of improved margins on customers and stronger demand for instruments to hedge interest rate and foreign exchange risks in particular.

Trading activities benefited greatly from a high level of activity and good position-taking in relation to volatility, and trends in exchange rates and Danish and European interest rates. Income from Trading activities thus increased DKr5.8bn over the year-earlier figure to DKr7.5bn.

Group Treasury posted a negative income of DKr589m, against a negative DKr943m in the first quarter of 2008. The investment portfolio generated a profit of DKr562m. The difference between the total loss suffered by Group Treasury and the profit generated by the investment portfolio was mainly attributable to Group Treasury's role as an internal bank and thus a funding source for the Group.

Loan impairment charges were charges against facilities to financial counterparties.

Operating expenses rose 11%, owing primarily to higher performance-based compensation to Trading activities staff. In line with international recommendations, the Group has adjusted its practices for measurement and structure of performance-based compensation in 2009.

The outlook for 2009 is still subject to some uncertainty, especially because of volatile equity markets and the probable economic contraction in Europe and the US. These factors are, however, likely to have a positive impact on customer-driven trading activities throughout 2009.



EMPLOYEES  
560

PRE-TAX PROFIT  
DKr139m

MARKET SHARE IN THE NORDIC REGION  
13%

## Danske Capital

DANSKE CAPITAL (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Total income	388	470	83	388	369	419	439	470	1,697
Amortisation of intangible assets	10	10	100	10	10	10	8	10	38
Other operating expenses	231	228	101	231	229	203	224	228	884
Operating expenses	241	238	101	241	239	213	232	238	922
Profit before loan impairment charges	147	232	63	147	130	206	207	232	775
Loan impairment charges	8	2	-	8	308	-6	15	2	319
Profit before tax	139	230	60	139	-178	212	192	230	456
Loans and advances (end of period)	19,297	27,677	70	19,297	22,306	26,546	27,692	27,677	22,306
Deposits (end of period)	6,840	11,211	61	6,840	7,276	9,739	11,144	11,211	7,276
Allocated capital (avg.)	545	781	70	545	705	731	783	781	750
Cost/income ratio (%)	62.1	50.6		62.1	64.8	50.8	52.8	50.6	54.3
Cost/income ratio, excluding amortisation of intangible assets (%)	59.5	48.5		59.5	62.1	48.4	51.0	48.5	52.1
Assets under management (DKr bn)	502	581		502	513	552	572	581	513

- Profit before loan impairment charges down 37%
- All units adversely affected by equity market trends

Danske Capital's income declined 17% from DKr470m in the first quarter of 2008 to DKr388m in the first quarter of 2009. Income fell at all Danske Capital units.

The main reason was a 14% decline in assets under management to DKr502bn as a result of the prolonged crisis in the equity markets.

Operating expenses rose DKr3m in the first quarter of 2009. Of the total amount of operating expenses, DKr18m was attributable to the consolidation of Danske Invest Management A/S, which was acquired in May 2008.

Danske Capital's net sales amounted to DKr4.2bn. Products managed by Danske Capital's Asset Management unit accounted for DKr5.8bn, while sales of investment products offered by external providers and structured products were negative by DKr1.6bn.

Asset Management's net sales of DKr5.8bn consisted of net sales to institutional clients of DKr7.6bn and net sales to retail customers of a negative DKr1.8bn.

Danske Capital maintained its 13% market share of unit trust business in the Nordic region. Denmark and Finland remained Danske Capital's most

important markets with market shares of 27% and 18%, respectively.

In the first quarter of 2009, the unit trust business posted above-benchmark returns in 56% of the funds marketed in Denmark and internationally. Sixty per cent of the equity-based funds saw above-benchmark returns, while returns in bond-based funds were generally in line with benchmark levels.

The trends in the capital markets for the remainder of the year will be decisive for the overall result for 2009. The outlook is very uncertain, and with a smaller amount of assets under management and declining investment appetite among retail customers in particular, the Group expects a challenging earnings environment.





EMPLOYEES  
966

NET INCOME  
DKr91m

TOTAL PREMIUMS  
DKr5,199m

## Danica Pension

DANICA PENSION (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Share of technical provisions	272	270	101	272	266	270	282	270	1,088
Unit-linked business	1	-6	-	1	8	-3	-20	-6	-21
Health and accident business	-28	-28	-	-28	-41	-46	-27	-28	-142
Return on investments	212	-387	-	212	-203	-290	-81	-387	-961
Financing result	-94	-144	-	-94	-167	-154	-144	-144	-609
Postponed risk allowance	-272	-270	-	-272	-266	-270	-282	-270	-1,088
Net income from insurance business	91	-565	-	91	-403	-493	-272	-565	-1,733
Premiums, insurance contracts	4,709	4,881	96	4,709	5,013	4,714	4,684	4,881	19,292
Premiums, investment contracts	490	706	69	490	588	348	945	706	2,587
Provisions, insurance contracts	207,220	209,816	99	207,220	204,123	206,042	207,801	209,816	204,123
Provisions, investment contracts	8,918	9,680	92	8,918	8,464	9,761	10,559	9,680	8,464
Customer funds, investment assets									
Danica Traditionel	173,331	177,894	97	173,331	175,778	171,418	174,577	177,894	175,778
Danica Balance	8,216	6,119	134	8,216	7,583	7,453	6,910	6,119	7,583
Danica Link	21,602	23,611	91	21,602	20,895	23,467	22,820	23,611	20,895
Allocated capital (avg.)	5,741	5,142	112	5,741	5,352	5,217	5,269	5,142	5,245
Net income as % p.a. of allocated capital	6.3	-44.0		6.3	-30.1	-37.8	-20.6	-44.0	-33.0

- Net income from insurance business of DKr91m, but the result was adversely affected by the equity market plunge
- Total premiums down, but regular premiums on Danish market products up 14%

Net income from insurance business was a positive DKr91m, up from a negative DKr565m in the first quarter of 2008.

The continuing equity market woes had an adverse effect on the result.

The investment return on customer funds was a negative 1.2% for *Danica Traditionel*, and this made it impossible to book the risk allowance. The Group can book its risk allowance at a later date if the return on investments permits and the bonus potential of paid-up policies is restored. The return on customer funds, including changes in technical provisions, ended at a negative 0.5%.

Premiums declined 7% to DKr5.2bn in the first quarter of 2009. The decline was caused by lower single premiums as regular premiums rose 2%. Market products accounted for the increase in regular premiums. The generally falling premiums should be seen in the light of staff reductions among several of Danica Pension's corporate customers and a sector-wide introduction of a charge on transfer and surrender that reduced transfers of custody accounts.

Danica also saw a decrease in premiums generated by its activities outside Denmark. Premium income from its Swedish activities dropped a full 21% from the year-earlier level, mainly because of the depreciation of the Swedish krona.

Expenses were lower than a year before, and this led to an improvement of the cost/income ratio from 6.4% to 5.9%.

The collective bonus potential stood at DKr1.3bn at the end of March 2009 and related to a small, limited portfolio of policies. The collective bonus potential declined DKr0.3bn from the level at the beginning of the year, and the development necessitated the drawing of another DKr1.0bn from the bonus potential of paid-up policies. The total amount drawn at March 31, 2009, was DKr3.8bn.

The market is likely to remain difficult as a result of the economic downturn and the introduction of the charge on transfer and surrender. The Group believes that the Danish spring tax reform will have a positive net effect on the trend in premiums in 2009 as customers are expected to take advantage of the last year of full tax relief on annuity pension contributions at high marginal tax rates. On balance, premiums are therefore likely to remain on a par with the 2008 level.



## Other Activities

OTHER ACTIVITIES (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Net interest income	-1	-34	-	-1	-147	-69	63	-34	-187
Net fee income	-4	-4	-	-4	-6	-2	-8	-4	-20
Net trading income	42	54	78	42	435	3	317	54	809
Other income	19	420	5	19	372	64	200	420	1,056
<b>Total income</b>	<b>56</b>	<b>436</b>	<b>13</b>	<b>56</b>	<b>654</b>	<b>-4</b>	<b>572</b>	<b>436</b>	<b>1,658</b>
Operating expenses	225	-65	-	225	37	74	180	-65	226
Profit before loan impairment charges	-169	501	-	-169	617	-78	392	501	1,432
Loan impairment charges	-	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>-169</b>	<b>501</b>	<b>-</b>	<b>-169</b>	<b>617</b>	<b>-78</b>	<b>392</b>	<b>501</b>	<b>1,432</b>

PROFIT BEFORE TAX (DKr m)	Q1 2009	Q1 2008	Index 09/08	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Full year 2008
Real property	52	365	14	52	26	41	197	365	629
Own shares	28	65	43	28	455	56	264	65	840
Other, including Group support functions	-249	71	-	-249	136	-175	-69	71	-37
<b>Total Other Activities</b>	<b>-169</b>	<b>501</b>	<b>-</b>	<b>-169</b>	<b>617</b>	<b>-78</b>	<b>392</b>	<b>501</b>	<b>1,432</b>

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

Other Activities recorded a pre-tax loss of DKr169m in the first quarter of 2009, against a profit of DKr501m in the year-earlier period.

Total income declined DKr380m from DKr436m in the first quarter of 2008 to DKr56m. The main reason for the decline was that property sales produced income of DKr333m in the first quarter of 2008.

Operating expenses rose DKr290m, one reason being severance payments to about 350 Group support staff laid off in February 2009.

Some customer savings held in pooled schemes and at Danica are invested in Danske Bank shares. In accordance with accounting regulations, the return on Danske Bank shares must be eliminated in the financial statements, while the return on customer savings is recognised in the income statement. This elimination led to an income of DKr28m in the first quarter of 2009, against DKr65m in the first quarter of 2008.

## Income statement – Danske Bank Group

(DKr m)	Q1 2009	Q1 2008
Interest income	30,950	36,690
Interest expense	18,119	27,520
Net interest income	12,831	9,170
Fee income	2,373	3,147
Fee expenses	728	1,027
Net trading income	939	-2,287
Other income	904	1,284
Net premiums	4,527	4,757
Net insurance benefits	3,476	4,541
Income from associated undertakings	77	44
Profit on sale of associated and group undertakings	-	-
Staff costs and administrative expenses	6,332	5,737
Amortisation, depreciation and impairment charges	804	854
Profit before loan impairment charges	10,311	3,956
Loan impairment charges	7,981	542
Profit before tax	2,330	3,414
Tax	777	847
Net profit for the period	1,553	2,567
Portion attributable to		
Shareholders of Danske Bank A/S (the Parent Company)	1,567	2,566
Minority interests	-14	1
Net profit for the period	1,553	2,567
Earnings per share (DKr)	2.3	3.7
Diluted earnings per share (DKr)	2.3	3.7

## Statement of comprehensive income - Danske Bank Group

(DKr m)	Q1 2009	Q1 2008
Net gains not recognised in the income statement		
Translation of foreign units	138	-686
Foreign unit hedges	-24	711
Unrealised value adjustments of available-for-sale financial assets	-651	-
Realised value adjustments of available-for-sale financial assets	34	-
Tax on other comprehensive income	160	-177
<b>Total</b>	<b>-343</b>	<b>-152</b>
Net profit for the period	1,553	2,567
<b>Total comprehensive income for the period</b>	<b>1,210</b>	<b>2,415</b>
Portion attributable to		
Shareholders of the Parent Company	1,224	2,414
Minority interests	-14	1
<b>Total comprehensive income for the period</b>	<b>1,210</b>	<b>2,415</b>

## Balance sheet – Danske Bank Group

(DKr m)	March 31, 2009	Dec. 31, 2008	March 31, 2008
<b>ASSETS</b>			
Cash in hand and demand deposits with central banks	29,056	16,379	35,807
Due from credit institutions and central banks	206,842	215,823	350,673
Trading portfolio assets	719,675	860,788	710,982
Investment securities	146,488	140,793	42,685
Assets held for sale	49	119	260
Loans and advances	1,274,664	1,352,113	1,354,902
Loans and advances at fair value	679,220	667,181	639,876
Assets under pooled schemes and unit-linked investment contracts	34,431	34,635	39,836
Assets under insurance contracts	182,403	181,259	186,912
Holdings in associated undertakings	977	939	1,118
Intangible assets	24,981	25,094	29,064
Investment property	4,540	4,470	5,360
Tangible assets	9,045	9,061	9,001
Current tax assets	2,052	2,103	1,118
Deferred tax assets	1,585	1,248	625
Other assets	27,625	31,969	35,186
<b>Total assets</b>	<b>3,343,633</b>	<b>3,543,974</b>	<b>3,443,405</b>
<b>LIABILITIES</b>			
Due to credit institutions and central banks	451,125	562,726	597,007
Trading portfolio liabilities	514,475	623,290	431,795
Deposits	843,110	874,690	1,005,134
Bonds issued by Realkredit Danmark	511,118	479,534	502,538
Deposits under pooled schemes and unit-linked investment contracts	40,808	41,827	47,273
Liabilities under insurance contracts	208,972	210,988	211,669
Other issued bonds	562,128	526,606	436,305
Current tax liabilities	1,015	930	1,037
Deferred tax liabilities	2,565	3,082	3,395
Other liabilities	50,783	64,194	48,298
Subordinated debt	58,027	57,860	57,830
<b>Total liabilities</b>	<b>3,244,126</b>	<b>3,445,727</b>	<b>3,342,281</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6,988	6,988	6,988
Foreign currency translation reserve	-176	-290	-5
Reserve for available-for-sale financial assets	-2,554	-1,937	-
Proposed dividends	-	-	-
Retained earnings	95,249	93,464	94,108
Shareholders of the Parent Company	99,507	98,225	101,091
Minority interests	-	22	33
<b>Total shareholders' equity</b>	<b>99,507</b>	<b>98,247</b>	<b>101,124</b>
<b>Total liabilities and equity</b>	<b>3,343,633</b>	<b>3,543,974</b>	<b>3,443,405</b>

## Statement of capital – Danske Bank Group

(DKr m)

**Changes in shareholders' equity**

	Shareholders of the Parent Company							
	Share capital	Foreign currency translation reserve	Available-for-sale assets	Proposed dividends	Retained earnings	Total	Minority interests	Total
Shareholders' equity at January 1, 2009	6,988	-290	-1,937	-	93,464	98,225	22	98,247
Total comprehensive income	-	114	-617	-	1,727	1,224	-14	1,210
Dividends paid	-	-	-	-	-	-	-8	-8
Acquisition of own shares	-	-	-	-	-2,933	-2,933	-	-2,933
Sale of own shares	-	-	-	-	2,975	2,975	-	2,975
Share-based payments	-	-	-	-	9	9	-	9
Addition of minority interests	-	-	-	-	-	-	-	-
Tax on entries on shareholders' equity	-	-	-	-	7	7	-	7
Shareholders' equity at March 31, 2009	6,988	-176	-2,554	-	95,249	99,507	-	99,507
Shareholders' equity at January 1, 2008	6,988	-30	-	5,940	91,325	104,223	132	104,355
Total comprehensive income	-	25	-	-	2,389	2,414	1	2,415
Dividends paid	-	-	-	-5,940	109	-5,831	-100	-5,931
Acquisition of own shares	-	-	-	-	-8,555	-8,555	-	-8,555
Sale of own shares	-	-	-	-	8,728	8,728	-	8,728
Share-based payments	-	-	-	-	9	9	-	9
Addition of minority interests	-	-	-	-	-	-	-	-
Tax on entries on shareholders' equity	-	-	-	-	103	103	-	103
Shareholders' equity at March 31, 2008	6,988	-5	-	-	94,108	101,091	33	101,124

Through the Private Contingency Association, Danske Bank participates in the two-year Danish state guarantee under the Act on Financial Stability adopted by the Danish parliament on October 10, 2008. The guarantee prohibits dividend payments and share buybacks by the participating banks for as long as the guarantee remains in force. In March 2008, the Group made dividend payments of DKr8.50 per share.

	March 31, 2009	Dec. 31, 2008	March 31, 2008
Share capital (DKr)	6,988,042,760	6,988,042,760	6,988,042,760
Number of shares	698,804,276	698,804,276	698,804,276
Number of shares outstanding	691,932,764	689,803,461	684,508,678
Average number of shares outstanding, including dilutive shares	690,962,086	686,909,354	685,579,568

## Statement of capital – Danske Bank Group

(DKr m)	March 31, 2009	Dec. 31, 2008	March 31, 2008
<b>Solvency</b>			
Shareholders' equity	99,507	98,247	101,124
Revaluation of domicile property	1,362	1,410	1,698
Pension obligations at fair value	-172	486	549
Tax effect	-30	-163	-174
Minority interests	2,992	2,979	3,017
Shareholders' equity calculated in accordance with the rules of the Danish FSA	103,659	102,959	106,214
Proposed dividends	-	-	-1,026
Intangible assets of banking business	-25,082	-25,204	-29,175
Deferred tax assets	-1,433	-971	-388
Deferred tax on intangible assets	1,362	1,433	1,529
Revaluation of real property	-874	-924	-1,223
Core (tier 1) capital, excluding hybrid core capital	77,632	77,293	75,931
Hybrid core capital	13,700	13,640	13,399
Difference between expected losses and impairment charges	-	-	-838
Statutory deduction for insurance subsidiaries	-2,539	-2,555	-2,296
Other statutory deductions	-20	-31	-19
Core (tier 1) capital	88,773	88,347	86,177
Subordinated debt, excluding hybrid core capital	35,254	35,023	36,239
Hybrid core capital	1,523	1,120	2,289
Revaluation of real property	874	924	1,223
Difference between expected losses and impairment charges	3,266	2,036	-838
Statutory deduction for insurance subsidiaries	-2,539	-2,555	-2,296
Other statutory deductions	-20	-31	-19
Capital base	127,131	124,864	122,775
<b>Capital requirements</b>			
Credit risk (IRB approach)	47,037	44,153	39,931
Credit risk (standardised approach)	17,656	17,531	18,422
Counterparty risk	2,421	3,450	2,128
Total credit risk	67,114	65,134	60,481
Market risk	5,202	5,408	5,716
Operational risk	6,436	6,264	6,124
Capital requirement under Pillar I	78,752	76,806	72,321
Pillar II and transitional rules	12,413	25,711	24,452
ICAAP result	91,165	102,517	96,773
Total risk-weighted assets	984,406	960,079	904,017
Core (tier 1) capital ratio, excluding hybrid core capital (%)	7.89	8.05	8.40
Core (tier 1) capital ratio (%)	9.02	9.20	9.53
Solvency ratio (%)	12.91	13.01	13.58

Risk-weighted assets calculated under the Basel I rules amounted to DKr1,424,460m at March 31, 2009. The ICAAP result, taking the transitional rules into consideration, was DKr91,165m, equal to 80% of the capital requirement of 8% of risk-weighted assets.



## Cash flow statement - Danske Bank Group

(DKr m)	Q1 2009	Q1 2008
<b>Cash flow from operations</b>		
Net profit for the period	1,553	2,567
Adjustment for non-cash operating items	8,734	-4,980
Cash flow from operating capital	14,699	17,398
Cash flow from operations	24,986	14,985
<b>Cash flow from investing activities</b>		
Acquisition/sale of businesses	-	-
Acquisition/sale of own shares	42	173
Acquisition of intangible assets	-75	-296
Acquisition/sale of tangible assets	-584	-355
Cash flow from investing activities	-617	-478
<b>Cash flow from financing activities</b>		
Changes in subordinated debt and hybrid core capital	-1,118	-991
Dividends	-	-5,831
Change in minority interests	-22	-99
Cash flow from financing activities	-1,140	-6,921
Cash and cash equivalents, beginning of period	202,728	338,327
Change in cash and cash equivalents	23,229	7,586
Acquisition/sale of businesses	-	-
Cash and cash equivalents, end of period	225,957	345,913

# Notes – Danske Bank Group

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## Note

### 1 Significant accounting policies

The Danske Bank Group's interim report for the first quarter of 2009 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 2008, which provides a full description of the Group's significant accounting policies, except in the instances mentioned below.

The Group has implemented the 2007 amendments to IAS 1, Presentation of Financial Statements. This standard requires disclosure of a statement of comprehensive income that is displayed immediately after the income statement. Comprehensive income was previously included in the statement of changes in shareholders' equity.

#### **Accounting estimates and assessments**

The preparation of the financial statements is based on updated estimates and assessments of future events that will significantly affect the carrying amounts of assets and liabilities. The estimates and assessments are based on assumptions that the management finds reasonable but that are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected future events or situations may occur. Other people may make other estimates. Similarly to year-end 2008, the amounts most influenced by critical estimates and assessments are

- impairment charges for loans and advances
- impairment charges for goodwill
- the fair value of financial instruments
- the value of liabilities under insurance contracts
- the value of defined benefit pension plans

Impairment charges for loans and advances consist of individual and collective charges and are subject to a number of estimates, including assessments of the loans or portfolios of loans where objective evidence of impairment exists, expected future cash flows and the value of collateral.

Goodwill is tested for impairment if indications of impairment exist. Impairment testing requires estimates of future cash flows and thus the economic development in countries where the Group has acquired goodwill. The impairment test conducted at March 31, 2009, did not identify any need for impairment charges.

Particularly at times when macroeconomic forecasts are difficult to make, impairment charges for loans and advances and goodwill are to a high degree based on estimates.

Fair value measurements of financial instruments that are only to a limited extent based on market prices or observable market data are subject to estimates.

Similarly to year-end 2008, this applies to unlisted shares and certain bonds for which there is no longer an active market.

The calculation of liabilities under insurance contracts and the net obligation under 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.

For a detailed description of the Group's significant risks and external conditions that may affect the Group, see Annual Report 2008 and Risk Management 2008.

#### **Standards and interpretations not yet in force**

The International Accounting Standards Board (IASB) has issued a number of international accounting standards that have not yet come into force. Similarly, the International Financial Reporting Interpretations Committee (IFRIC) has issued a number of interpretations that have not yet come into force.

None of these is expected to materially affect the Group's future financial reporting.

## Notes – Danske Bank Group

Note (DKr m)

### 2 Business segments, Q1 2009

	Banking Activities	Danske Markets	Danske Capital	Danica Pension	Other	Elimina- tion	Total	Reclassi- fication	Highlights
Net interest income	7,148	3,613	80	1,925	-2	67	12,831	-5,604	7,227
Net fee income	1,494	17	272	-135	-3	-	1,645	118	1,763
Net trading income	373	3,317	33	-2,760	15	-39	939	6,540	7,479
Other income	626	1	3	251	39	-16	904	-257	647
Net premiums	-	-	-	4,527	-	-	4,527	-4,527	-
Net insurance benefits	-	-	-	3,476	-	-	3,476	-3,476	-
Income from equity investments	-	83	-	-1	-5	-	77	-77	-
Net income from insurance business	-	-	-	-	-	-	-	91	91
<b>Total income</b>	<b>9,641</b>	<b>7,031</b>	<b>388</b>	<b>331</b>	<b>44</b>	<b>12</b>	<b>17,447</b>	<b>-240</b>	<b>17,207</b>
<b>Operating expenses</b>	<b>5,607</b>	<b>823</b>	<b>241</b>	<b>240</b>	<b>241</b>	<b>-16</b>	<b>7,136</b>	<b>-240</b>	<b>6,896</b>
Profit before loan impairment charges	4,034	6,208	147	91	-197	28	10,311	-	10,311
Loan impairment charges	6,275	1,698	8	-	-	-	7,981	-	7,981
<b>Profit before tax</b>	<b>-2,241</b>	<b>4,510</b>	<b>139</b>	<b>91</b>	<b>-197</b>	<b>28</b>	<b>2,330</b>	<b>-</b>	<b>2,330</b>
Loans and advances, excluding reverse transactions	1,699,420	66,541	18,984	-	1,412	-15,872	1,770,485	-	1,770,485
Other assets	357,715	4,773,689	16,067	232,878	217,507	-4,024,708	1,573,148	-	1,573,148
<b>Total assets</b>	<b>2,057,135</b>	<b>4,840,230</b>	<b>35,051</b>	<b>232,878</b>	<b>218,919</b>	<b>-4,040,580</b>	<b>3,343,633</b>	<b>-</b>	<b>3,343,633</b>
Deposits, excluding repo deposits	610,598	180,969	6,840	-	6,534	-8,492	796,449	-	796,449
Other liabilities	1,374,210	4,653,910	27,666	227,137	196,842	-4,032,088	2,447,677	-	2,447,677
Allocated capital	72,327	5,351	545	5,741	15,543	-	99,507	-	99,507
<b>Total liabilities and equity</b>	<b>2,057,135</b>	<b>4,840,230</b>	<b>35,051</b>	<b>232,878</b>	<b>218,919</b>	<b>-4,040,580</b>	<b>3,343,633</b>	<b>-</b>	<b>3,343,633</b>
Internal income	2,226	6,232	107	710	-9,274	-	-	-	-
Amortisation and depreciation charges	556	1	10	-	237	-	804	-	-
Impairment charges for intangible and tangible assets	-	-	-	-	-	-	-	-	-
Reversals of impairment charges	-	-	-	-	-	-	-	-	-
Pre-tax profit as % p.a. of allocated capital (avg.)	-12.4	337.1	102.0	6.3	-5.1	-	9.4	-	-
Cost/income ratio (%)	58.2	11.7	62.1	72.5	547.7	-	40.9	-	-
Full-time-equivalent staff (avg.)	13,917	916	572	960	6,972	-	23,337	-	-

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. 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. Liquidity was previously settled primarily on the basis of short-term money market rates. The method was changed at January 1, 2009. Liquidity expenses are now allocated on the basis of a maturity analysis of loans and deposits. Prices are based on interbank rates and funding spreads. The new settlement method resulted in a relatively large share of liquidity expenses at Danske Markets and at banking units with insufficient liquidity to fund activities.

# Notes – Danske Bank Group

Note	(DKr m)									
2	<b>Business segments, Q1 2008</b>									
(cont'd)	Banking Activities	Danske Markets	Danske Capital	Danica Pension	Other	Elimina- tion	Total	Reclassi- fication	Highlights	
Net interest income	6,212	1,431	58	1,451	-32	50	9,170	-2,934	6,236	
Net fee income	1,812	78	405	-171	-4	-	2,120	93	2,213	
Net trading income	378	-586	14	-2,095	-12	14	-2,287	3,645	1,358	
Other income	624	1	-	293	376	-10	1,284	-247	1,037	
Net premiums	-	-	-	4,757	-	-	4,757	-4,757	-	
Net insurance benefits	-	-	-	4,541	-	-	4,541	-4,541	-	
Income from equity investments	-	-12	-7	9	54	-	44	-44	-	
Net income from insurance business	-	-	-	-	-	-	-	-565	-565	
<b>Total income</b>	<b>9,026</b>	<b>912</b>	<b>470</b>	<b>-297</b>	<b>382</b>	<b>54</b>	<b>10,547</b>	<b>-268</b>	<b>10,279</b>	
<b>Operating expenses</b>	<b>5,409</b>	<b>741</b>	<b>238</b>	<b>268</b>	<b>-55</b>	<b>-10</b>	<b>6,591</b>	<b>-268</b>	<b>6,323</b>	
<b>Profit before loan impairment charges</b>	<b>3,617</b>	<b>171</b>	<b>232</b>	<b>-565</b>	<b>437</b>	<b>64</b>	<b>3,956</b>	<b>-</b>	<b>3,956</b>	
<b>Loan impairment charges</b>	<b>540</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>542</b>	<b>-</b>	<b>542</b>	
<b>Profit before tax</b>	<b>3,077</b>	<b>171</b>	<b>230</b>	<b>-565</b>	<b>437</b>	<b>64</b>	<b>3,414</b>	<b>-</b>	<b>3,414</b>	
Loans and advances, excluding reverse transactions	1,667,738	51,393	27,672	-	-12,252	-14,179	1,720,372	-	1,720,372	
Other assets	432,090	3,592,334	17,096	233,232	711,715	-3,263,434	1,723,033	-	1,723,033	
<b>Total assets</b>	<b>2,099,828</b>	<b>3,643,727</b>	<b>44,768</b>	<b>233,232</b>	<b>699,463</b>	<b>-3,277,613</b>	<b>3,443,405</b>	<b>-</b>	<b>3,443,405</b>	
Deposits, excluding repo deposits	615,395	228,510	11,211	-	6,803	9,225	871,144	-	871,144	
Other liabilities	1,415,224	3,413,076	32,776	228,090	668,809	-3,286,838	2,471,137	-	2,471,137	
Allocated capital	69,209	2,141	781	5,142	23,851	-	101,124	-	101,124	
<b>Total liabilities and equity</b>	<b>2,099,828</b>	<b>3,643,727</b>	<b>44,768</b>	<b>233,232</b>	<b>699,463</b>	<b>-3,277,613</b>	<b>3,443,405</b>	<b>-</b>	<b>3,443,405</b>	
Internal income	2,418	5,256	223	528	-8,425	-	-	-	-	
Amortisation and depreciation charges	631	3	10	-	210	-	854	-	-	
Impairment charges for intangible and tangible assets	-	-	-	-	-	-	-	-	-	
Reversals of impairment charges	-	-	-	-	-	-	-	-	-	
Pre-tax profit as % p.a. of allocated capital (avg.)	17.8	31.9	117.9	-44.0	7.3	-	13.5	-	-	
Cost/income ratio (%)	59.9	81.3	50.6	-90.2	-14.4	-	62.5	-	-	
Full-time-equivalent staff (avg.)	14,362	900	546	951	6,976	-	23,735	-	-	

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. The Reclassification column shows the adjustments made to the detailed figures in the calculation of the highlights.

## Notes - Danske Bank Group

Note	(DKr m)									
3	<b>Banking Activities, Q1 2009</b>									
	<b>Geographical breakdown</b>									
		Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	Total
	Net interest income	4,211	921	456	666	326	339	143	86	7,148
	Net fee income	854	263	130	90	70	33	32	22	1,494
	Net trading income	233	13	21	49	-	15	35	7	373
	Other income	224	84	9	97	2	2	3	205	626
	Total income	5,522	1,281	616	902	398	389	213	320	9,641
	Operating expenses	3,028	879	341	451	316	231	98	263	5,607
	Profit before loan impairment charges	2,494	402	275	451	82	158	115	57	4,034
	Loan impairment charges	2,885	385	297	297	445	1,473	559	-66	6,275
	Profit before tax	-391	17	-22	154	-363	-1,315	-444	123	-2,241
	<b>Banking Activities, Q1 2008</b>									
	<b>Geographical breakdown</b>									
	Net interest income	3,521	796	472	468	400	287	162	106	6,212
Net fee income	971	362	180	101	95	42	36	25	1,812	
Net trading income	234	11	26	43	21	14	18	11	378	
Other income	47	67	10	62	2	5	4	427	624	
Total income	4,773	1,236	688	674	518	348	220	569	9,026	
Operating expenses	2,365	1,049	384	422	371	265	132	421	5,409	
Profit before loan impairment charges	2,408	187	304	252	147	83	88	148	3,617	
Loan impairment charges	335	-28	67	28	29	34	15	60	540	
Profit before tax	2,073	215	237	224	118	49	73	88	3,077	

The tables break down the Banking Activities segment by country.

At April 1, 2008, the activities of Nordania Leasing within real property, construction and agricultural machinery, and capital and IT equipment were transferred from Other Banking Activities to Banking Activities Denmark and Banking Activities Norway. This change added DKr183m to the profit before tax of Other Banking Activities. Comparative figures have not been restated.

At January 1, 2009, Banking Activities Russia was transferred from Banking Activities Finland to Other Banking Activities. This caused a decrease of DKr1m in the profit before tax of Banking Activities Finland. Comparative figures have not been restated.

## Notes – Danske Bank Group

Note (DKr m)

4 **Contingent liabilities**

The Group uses a variety of loan-related financial instruments to meet the financial needs of its customers. These include loan offers and other credit facilities, guarantees and instruments that are not recognised on the balance sheet.

	March 31, 2009	Dec. 31, 2008	March 31, 2008
Guarantees	98,974	107,648	113,506
Other liabilities	165,579	168,179	227,442
<b>Total</b>	<b>264,553</b>	<b>275,827</b>	<b>340,948</b>

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

A limited number of employees are employed under terms which grant them, if they are dismissed before reaching their normal retirement age, an extraordinary severance and/or pension payment in excess of their entitlement under ordinary terms of employment.

Together with the majority of Danish banks, Danske Bank is participating through the Private Contingency Association in the Danish state guarantee under the Act on Financial Stability adopted by the Danish parliament on October 10, 2008. The scheme runs from October 5, 2008, to September 30, 2010, and includes an unconditional state guarantee for the obligations of Danish banks, except for subordinated debt and covered bonds.

Each bank's share of the state guarantee commission and the commitment to cover losses is calculated on the basis of the part of the bank's capital base that can be allocated to activities covered by the guarantee. Danske Bank's share is expected to be around one third of the total amount, or an annual guarantee commission of around DKr2.5bn and a commitment to cover losses of around DKr6bn. Half of the latter amount, DKr3bn, becomes payable only if the Danish financial sector's need for capital exceeds DKr25bn. At March 31, 2009, Danske Bank had made provisions of DKr0.6bn for the commitment.

## Notes - Danske Bank Group

Note	(DKr m)			
5	<b>Capital requirements and risk-weighted assets</b>			
	Capital requirements		Risk-weighted assets	
	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008
Credit risk				
Institutions	2,817	3,186	35,216	39,823
Corporate customers	28,427	28,003	355,333	350,037
Retail customers	8,286	9,140	103,581	114,248
Securitisation	6,190	2,590	77,369	32,381
Non-credit-obligation assets	1,317	1,234	16,462	15,420
Credit risk (IRB approach)	47,037	44,153	587,961	551,909
Governments and other public authorities	22	17	271	212
Institutions	271	231	3,390	2,884
Corporate customers	10,476	10,986	130,944	137,326
Retail customers	3,070	2,507	38,377	31,343
Exposures secured on real property	2,905	3,105	36,307	38,818
Other items	912	685	11,407	8,562
Credit risk (standardised approach)	17,656	17,531	220,696	219,145
Counterparty risk	2,421	3,450	30,270	43,124
Total credit risk	67,114	65,134	838,927	814,178
Market risk	5,202	5,408	65,019	67,602
Operational risk	6,436	6,264	80,460	78,299
Total	78,752	76,806	984,406	960,079

Other items comprises the following exposure classes: past due items, covered bonds, securitisation positions and exposures in other items, including non-credit-obligation assets.



# Notes - Danske Bank Group

(DKr m)

## Risk management

For a detailed description of the Danske Bank Group's risk management practices, see Annual Report 2008 and Risk Management 2008. Both publications are available at [www.danskebank.com/ir](http://www.danskebank.com/ir).

## Credit exposure

The Group's credit exposure is calculated on the basis of selected items on and off the balance sheet.

	March 31, 2009	Dec. 31, 2008
<b>Credit exposure relating to lending activities</b>		
Balance-sheet items:		
Demand deposits with central banks	23,639	9,968
Due from credit institutions and central banks	206,842	215,823
Loans and advances	1,274,664	1,352,113
Loans and advances at fair value	679,220	667,181
Off-balance-sheet items:		
Guarantees	98,974	107,648
Loan commitments < 1 year	52,270	51,874
Loan commitments > 1 year	112,282	115,263
<b>Total credit exposure relating to lending activities</b>	<b>2,447,891</b>	<b>2,519,870</b>
<b>Credit exposure relating to trading and investing activities</b>		
Balance-sheet items:		
Trading portfolio assets	719,675	860,788
Investment securities	146,488	140,793
Off-balance-sheet items:		
Other unutilised commitments	1,027	1,042
<b>Total credit exposure relating to trading and investing activities</b>	<b>867,190</b>	<b>1,002,623</b>
<b>Total credit exposure</b>	<b>3,315,081</b>	<b>3,522,493</b>

# Notes - Danske Bank Group

(DKr m)

## Impairment charges

The allowance account includes all impairment charges for loans and advances, loans and advances at fair value, amounts due from credit institutions and central banks, and provisions for losses on irrevocable loan commitments and guarantees.

Individual impairment charges comprise charges for credit facilities in rating categories 10 and 11. Credit facilities held by customers in the other rating categories are subject to collective impairment testing.

## Allowance account broken down by type of impairment

	Individual impairment charges	Collective impairment charges	Total impairment charges
At January 1, 2008	3,575	1,325	4,900
New impairment charges	9,750	3,790	13,540
Reversals of impairment charges from previous periods	1,122	412	1,534
Write-offs debited to allowance account	967	-	967
Foreign currency translation	-129	-25	-154
Other items	83	-10	73
At December 31, 2008	11,190	4,668	15,858
New impairment charges	7,590	2,255	9,845
Reversals of impairment charges from previous periods	1,318	610	1,928
Write-offs debited to allowance account	521	-	521
Foreign currency translation	151	117	268
Other items	2	-	2
At March 31, 2009	17,094	6,430	23,524

Collective impairment charges include charges made upon the up- or downgrading of customers to other rating categories.

	Q1 2009	Q1 2008
<b>Loan impairment charges</b>		
New impairment charges	9,845	1,374
Reversals of impairment charges from previous periods	1,928	839
Write-offs charged directly to the income statement	128	159
Received on claims previously written off	64	152
<b>Total loan impairment charges</b>	<b>7,981</b>	<b>542</b>

## Statement by the management

The Board of Directors and the Executive Board (the management) have considered and approved the interim report of the Danske Bank Group for the period starting on January 1, 2009, and ending on March 31, 2009.

The interim financial statements for the first quarter of 2009 have 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.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities and financial position at March 31, 2009, and of the results of the Group's operations and the consolidated cash flows for the period starting on January 1, 2009, and ending on March 31, 2009. Moreover, in our opinion, the financial review gives a true and fair view of developments in the Group's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group.

Copenhagen, May 5, 2009

### Executive Board

Peter Straarup  
Chairman

Tonny Thierry Andersen  
Chief Financial Officer

Sven Lystbæk  
Member of the Executive Board

Per Skovhus  
Member of the Executive Board

### Board of Directors

Alf Duch-Pedersen  
Chairman

Eivind Kolding  
Vice Chairman

Henning Christophersen

Peter Højland

Mats Jansson

Niels Chr. Nielsen

Sten Scheibye

Majken Schultz

Claus Vastrup

Birgit Aagaard-Svendsen

Helle Brøndum

Charlotte Hoffmann

Per Alling Toubro

Verner Usbeck

Solveig Ørteby

# Auditors' review reports

## Internal Audit's Review Report

We have reviewed the interim report of the Danske Bank Group for the period starting on January 1, 2009, and ending on March 31, 2009.

### Scope of review

A review of interim reports consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit, and, accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report of the Group has not been prepared, in all material respects, 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.

Copenhagen, May 5, 2009

Jens Peter Thomassen  
Group Chief Auditor

Niels Thor Mikkelsen  
Deputy 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 January 1, 2009, and ending on March 31, 2009, comprising income statement, statement of comprehensive income, balance sheet, statement of capital, cash flow statement and notes, pp. 25-38.

Management is responsible for the preparation and fair presentation of the interim financial statements of the Group 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. 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. A review is substantially less in scope than an audit conducted in accordance with Danish Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit, and, accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the Group have not been prepared, in all material respects, 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.

Copenhagen, May 5, 2009

KPMG

Statsautoriseret Revisionspartnerselskab

Per Gunslev

Lars Rhod Søndergaard

State Authorised Public Accountants

Copenhagen, May 5, 2009

Grant Thornton

Statsautoriseret Revisionsaktieselskab

Ole Fabricius

Christian F. Jakobsen

State Authorised Public Accountants

## Supplementary information

### Conference call

Danske Bank will hold a conference call on May 5, 2009, after the presentation of its interim report for the first quarter of 2009. The conference call is scheduled for 2.30pm CET and will be transmitted live at [www.danskebank.com](http://www.danskebank.com).

### Financial calendar

August 11, 2009 November 3, 2009	Interim Report – First Half 2009 Interim Report – First Nine Months 2009
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### Contacts

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

### Useful links

Danske Bank Group	<a href="http://www.danskebank.com">www.danskebank.com</a>
Banking Activities Denmark	<a href="http://www.danskebank.dk">www.danskebank.dk</a>
Banking Activities Finland	<a href="http://www.sampobank.com">www.sampobank.com</a>
Banking Activities Sweden	<a href="http://www.danskebank.se">www.danskebank.se</a>
Banking Activities Norway	<a href="http://www.fokus.no">www.fokus.no</a>
Banking Activities Northern Ireland	<a href="http://www.northernbank.co.uk">www.northernbank.co.uk</a>
Banking Activities Ireland	<a href="http://www.nationalirishbank.ie">www.nationalirishbank.ie</a>
Realkredit Danmark	<a href="http://www.rd.dk">www.rd.dk</a>
Danske Capital	<a href="http://www.danskecapital.com">www.danskecapital.com</a>
Danica Pension	<a href="http://www.danicapension.dk">www.danicapension.dk</a>

View Danske Bank's interactive accounts at [www.danskebank.com/interactiveaccounts](http://www.danskebank.com/interactiveaccounts).