

Interim Report – First Half 2011



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9 August 2011

H1 2011 net profit up 12%

Income statement (DKK m)

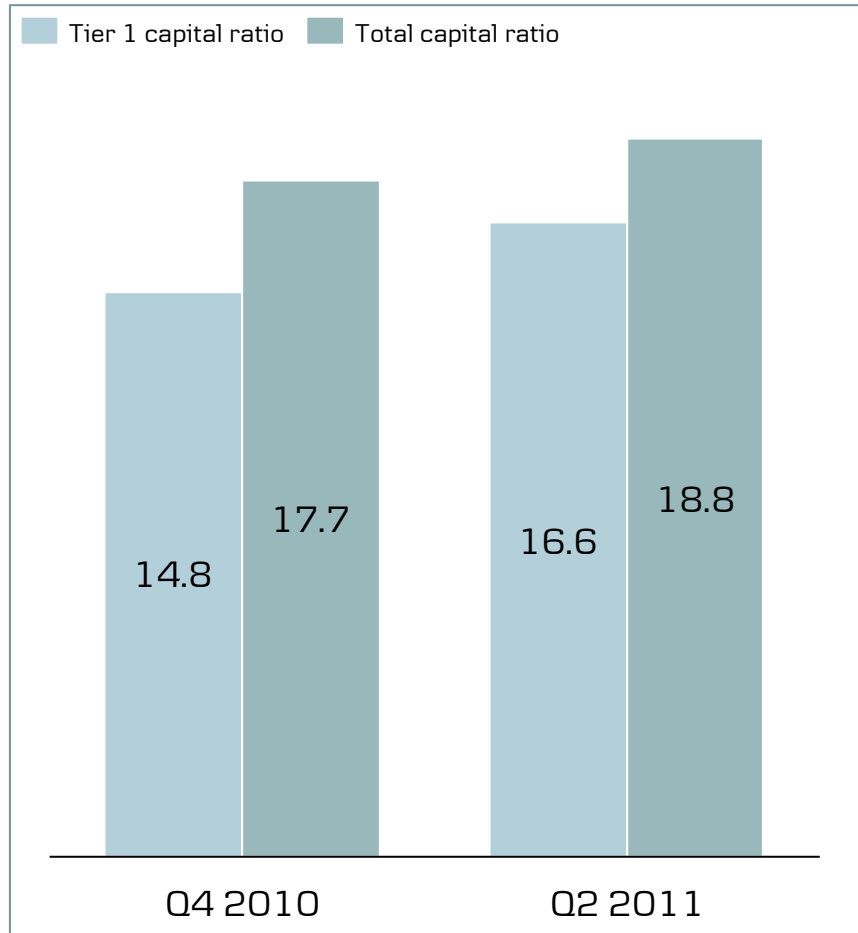
	H1 2010	H1 2011	Index
Net interest income	11,934	11,339	95
Net fee income	4,208	4,142	98
Net trading income	5,101	5,420	106
Other income	2,144	1,974	92
Income from insurance	756	328	43
Total income	24,143	23,203	96
Operating expenses	13,259	14,029	106
Profit bef. loan imp. charges	10,884	9,174	84
Loan impairment charges	7,752	5,594	72
Profit before tax	3,132	3,580	114
Tax	1,426	1,673	117
Net profit	1,706	1,907	112

Impairments down 28%

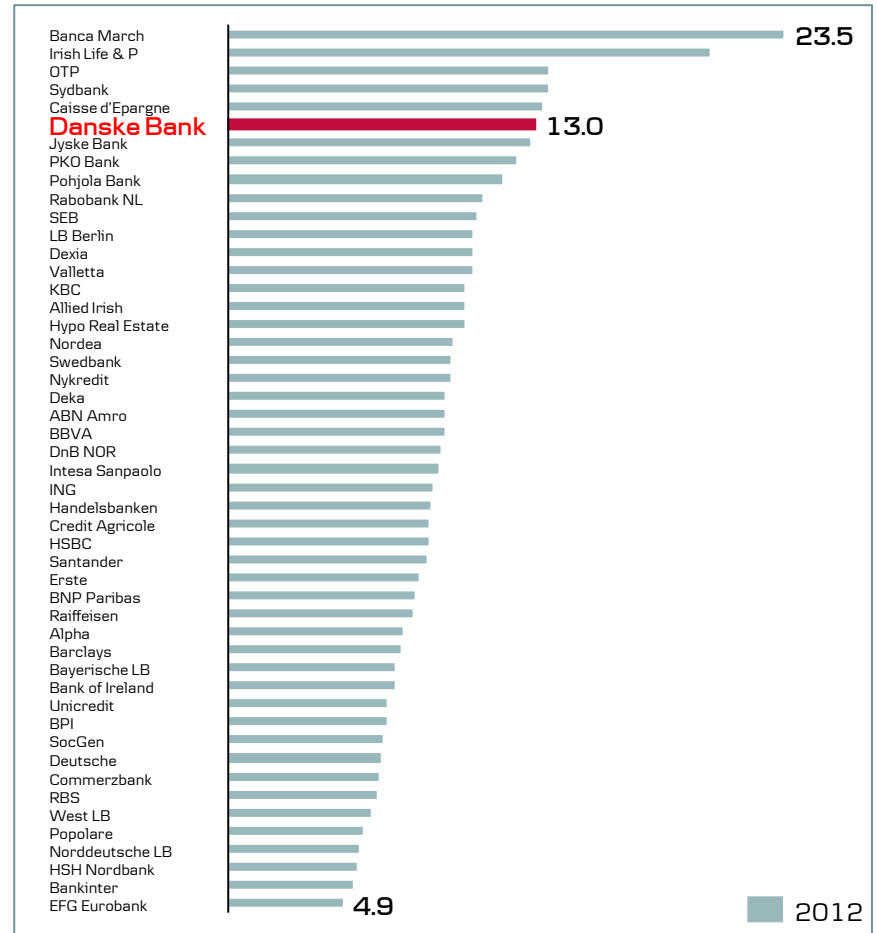
Net profit up 12%

Danske Bank's capital ratios are among the highest in Europe, confirmed by the EU stress test

Capital ratios [%]



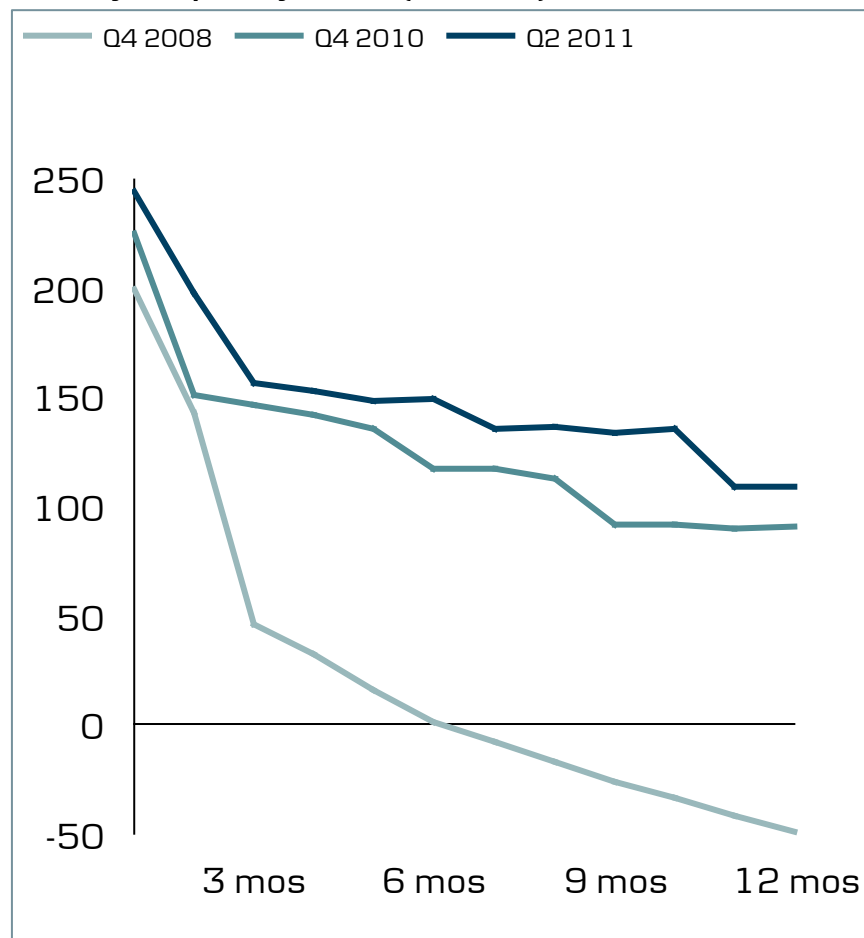
Core tier 1 cap. ratios, stress test, adverse scenario



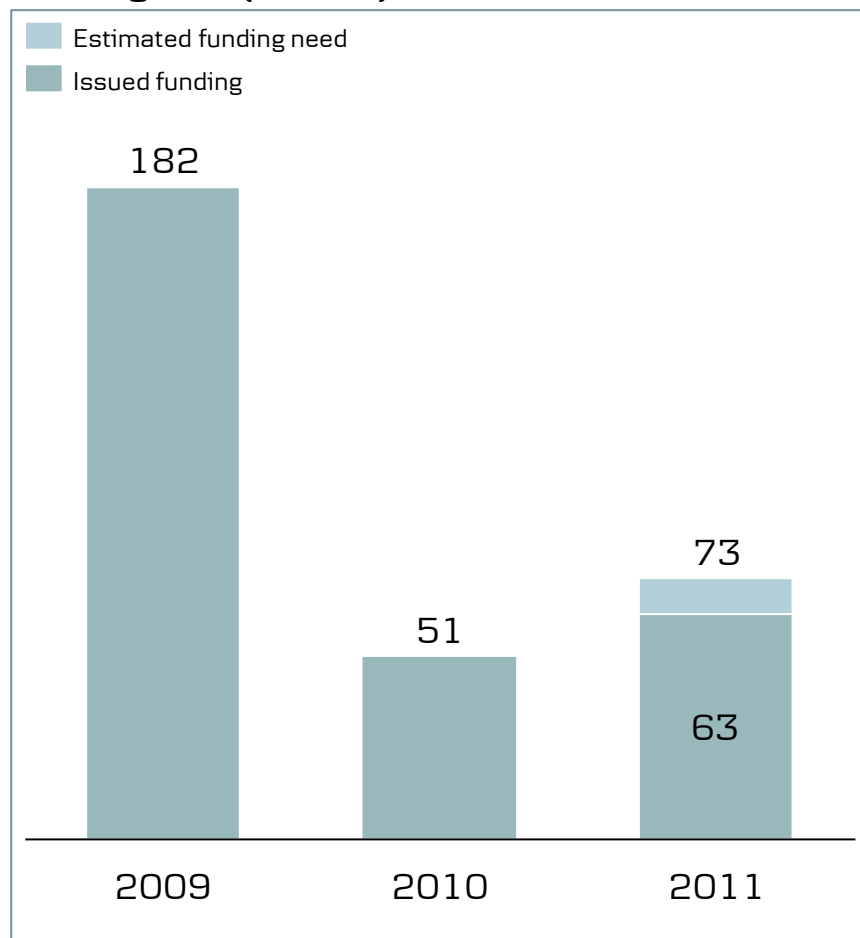
Note: A total of 90 banks took part in the test. Some have been omitted from the list above, although none in the top 15. The definition of the core tier1 capital ratio differs from the one in the Danish rules.

Liquidity remains strong despite volatile market; funding need for 2011 is nearly covered

Moody's liquidity curve (DKK bn)



Funding need (DKK bn)



Implementation of Bank Package III has led to lower ratings and widening CDS spreads for Danish banks

5-year CDS spreads (basis points)

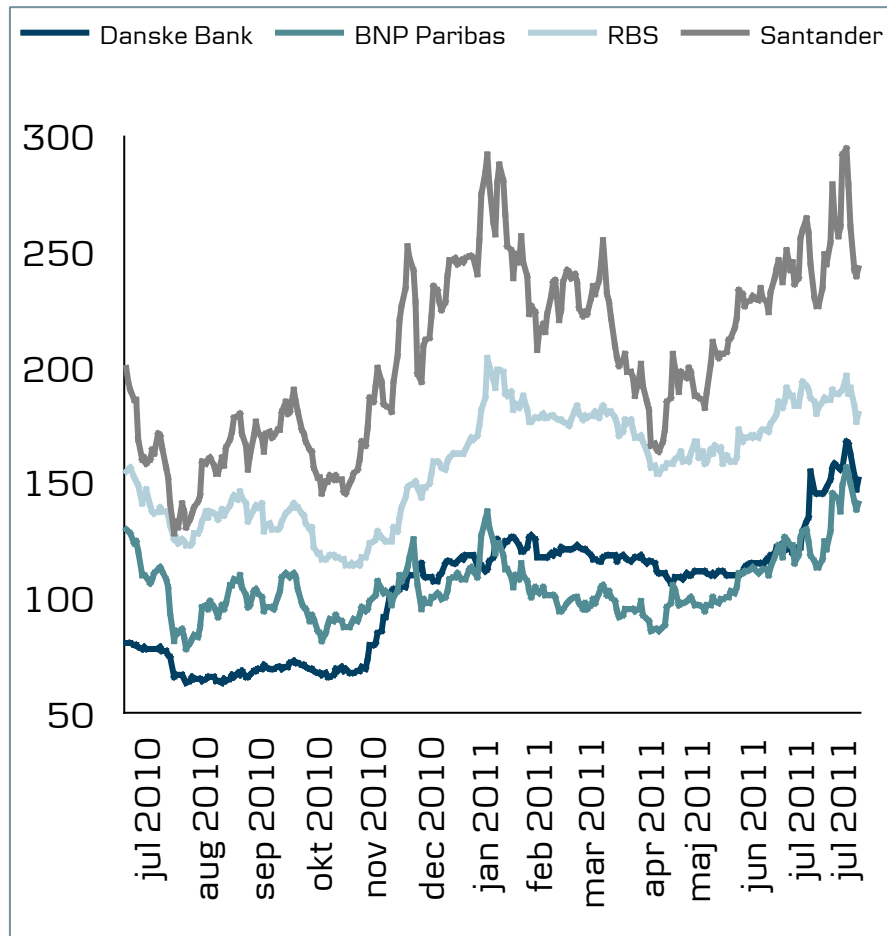


Danske Bank's long-term rating (changes in 2011)

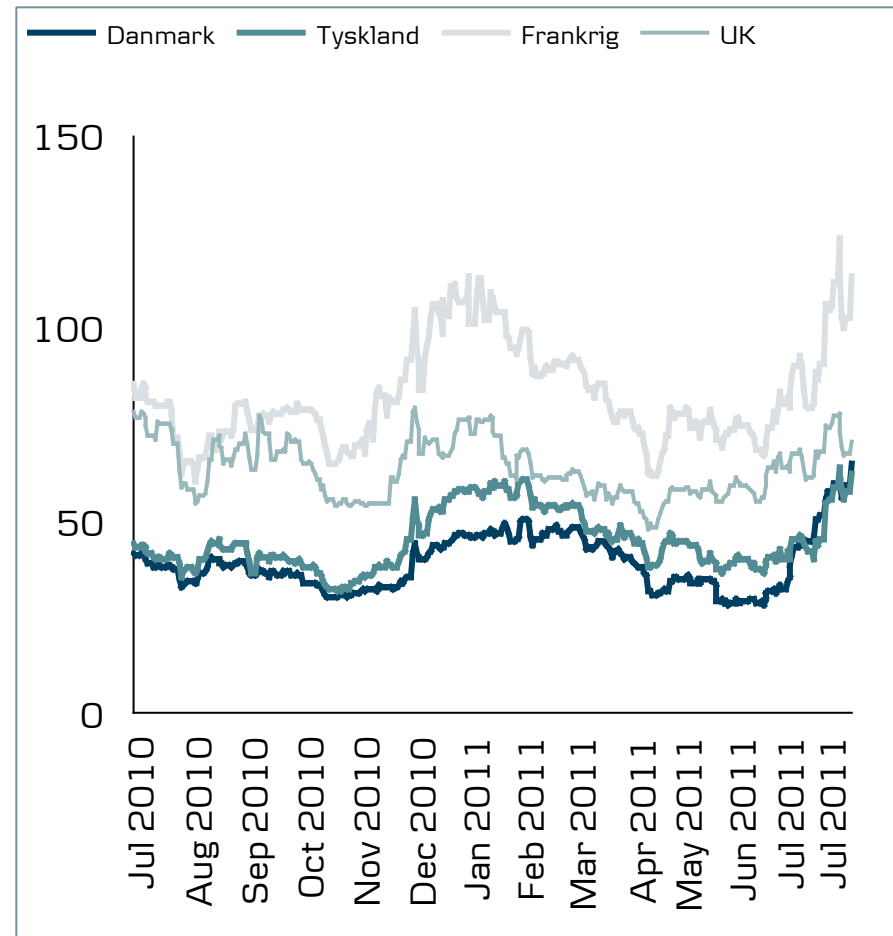
July 2011	Rating	Outlook
Fitch	A+ (unchanged)	Negative
Moody's	A2 (2 grades lower)	Negative
Standard & Poors	A (unchanged)	Negative

CDS spread for Danske Bank is low from a European perspective

5 års CDS spreads, European banks (basis point)



5 års CDS spreads, European countries (basis point)



Regulations



CRD IV - higher capital and liquidity requirements

- The European Commission has listened to the Danish arguments about the consequences for the mortgage finance system
- Political negotiations at the Council of Ministers and European Parliament until 2012, when the rules are expected to be adopted

EU Resolution Scheme - standard European rules for distressed banks

- Standard European rules for crisis management and winding up that will ensure uniform competitive conditions across the EU
- The European Commission's proposal is expected to be released in autumn 2011

Regulation of systemically important financial institutions (SIFIs)

- Regulation of SIFIs - global and national - will probably mean extra capital requirements and supervision
- The definition of global SIFIs is expected at the end of 2011 (G20)
- Awaiting EU regulations, including rules on national SIFIs

Price adjustments at Realkredit Danmark

Hvad betyder ændringen for dit lån?

Her kan du beregne, hvad Realkredit Danmarks ændringer i priserne kommer til at betyde for dig. Du skal bruge oplysninger fra din Betalingsoversigt eller terminsopkrævning.

Denne beregning er for private, men [her kan du også lave en beregning for erhverv.](#)

Om dit nuværende realkreditlån

Lånets restgæld kr

Betaling af ydelser Kvartalsvis Månedlig

Ydelse på lånet kr/måned

Låntype ▼

Har du afdragsfrihed? Ja Nej

Beregn ændringerne

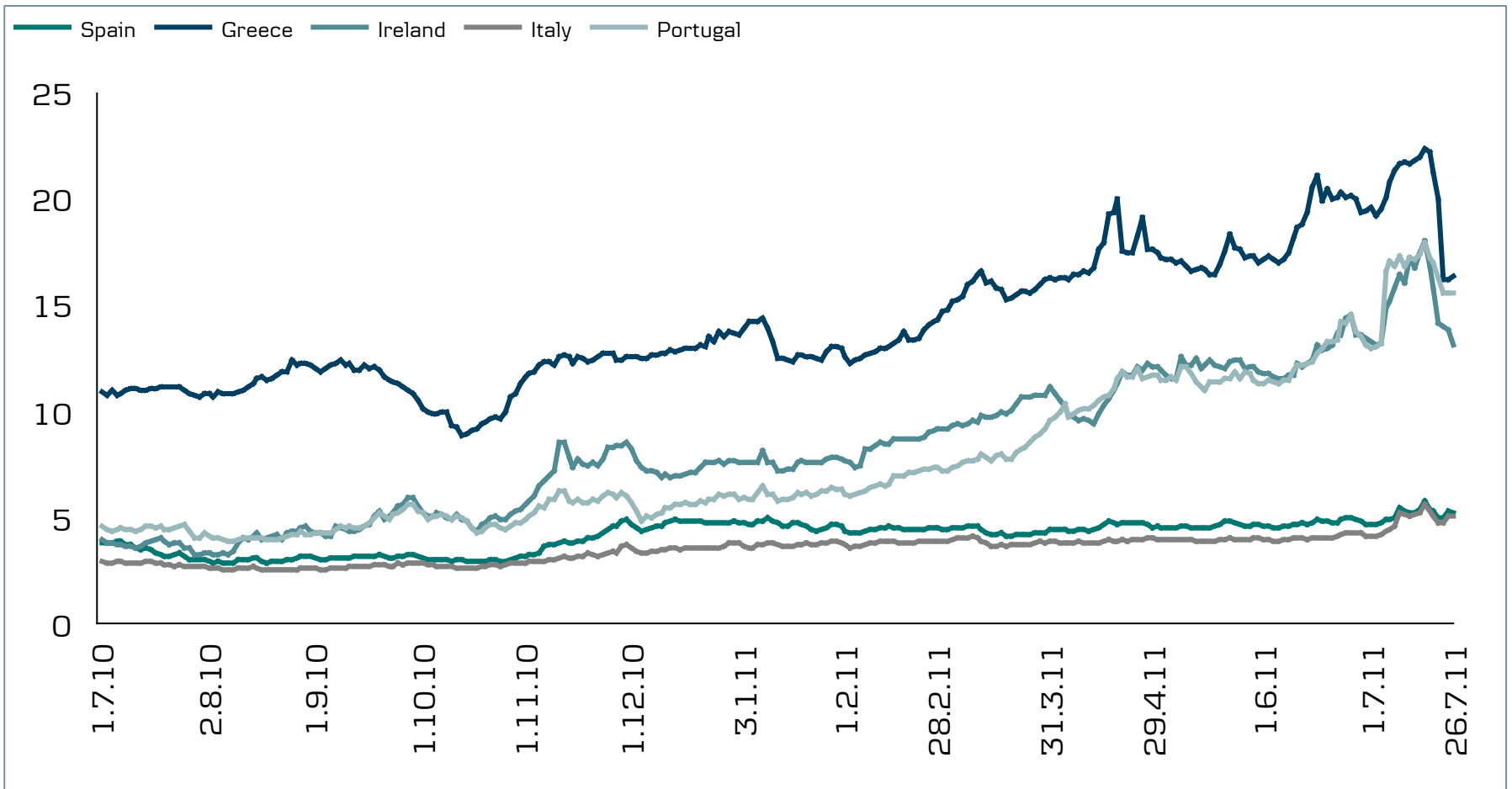
On 1 January 2012, RD will implement price adjustments.

RD's website gives an overview of the changes.

For a loan with outstanding debt of DKK 1 million, the after-tax monthly payment will rise with approximately DKK 50 - 110.

Financial unrest returns

Yield spread to Germany, 5-year government bonds [%]



Danske Bank's guiding principles

Strengthen the top line through competitive pricing and business with good customers

Achieve cost efficiencies through changed customer behaviour and new technology

Focus on advisory services and customer satisfaction



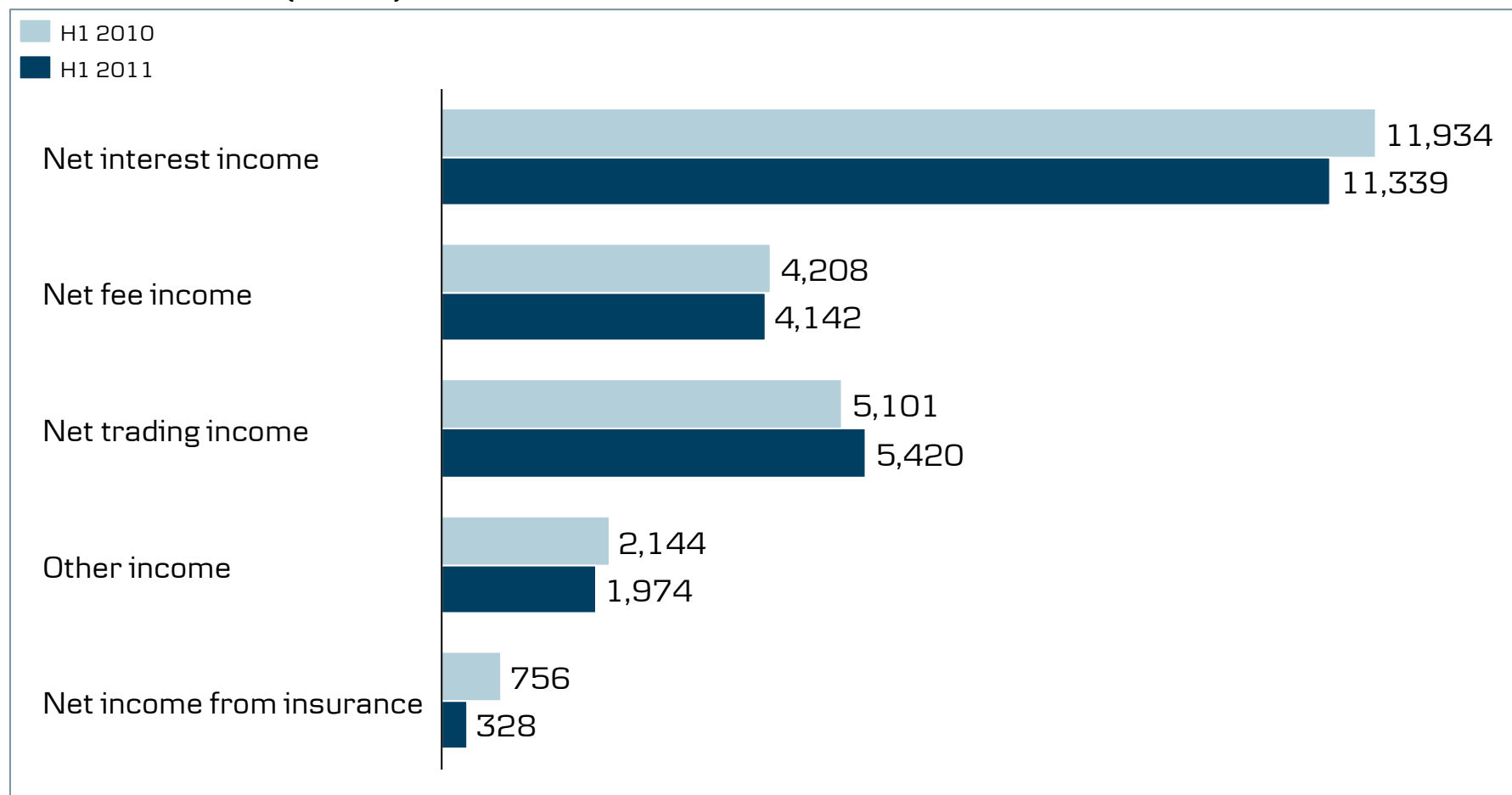
Key figures for Danske Bank, first half of 2011

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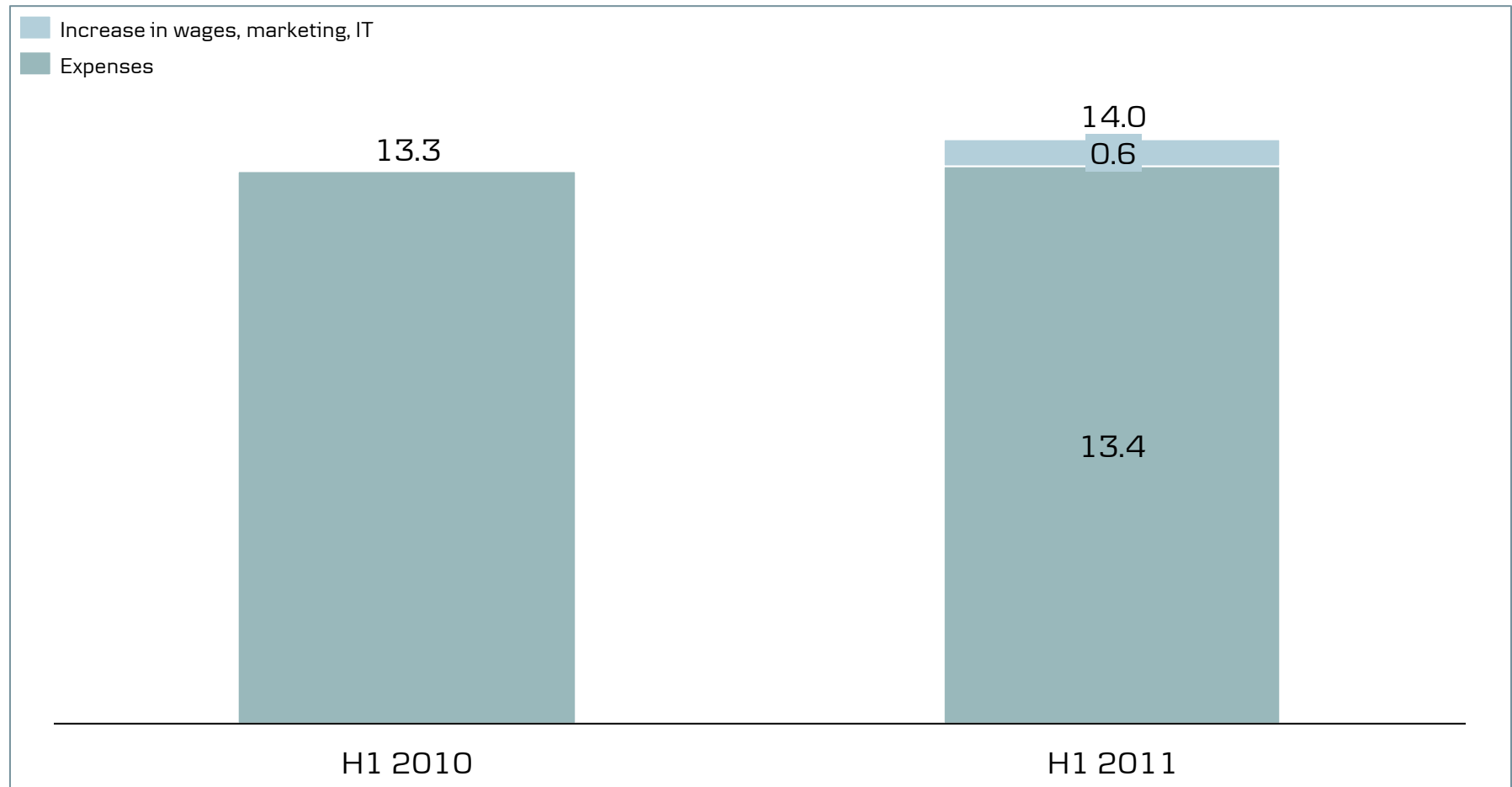
Income declines slightly, mainly because of lower net interest income

Income breakdown (DKK m)



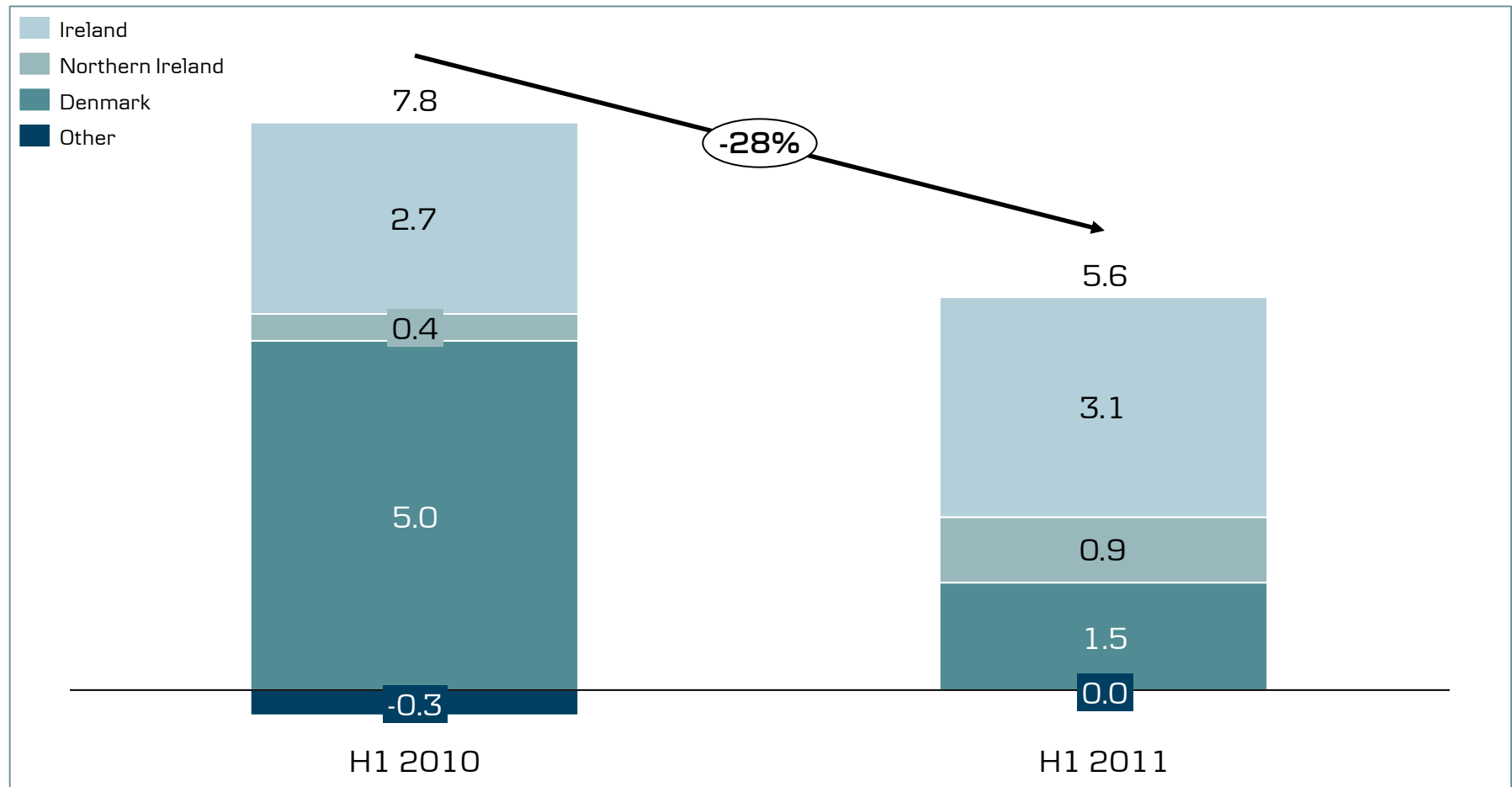
Expenses rise, mainly because of growth in wage, marketing and IT devevelopment costs

Breakdown of expenses (DKK bn)



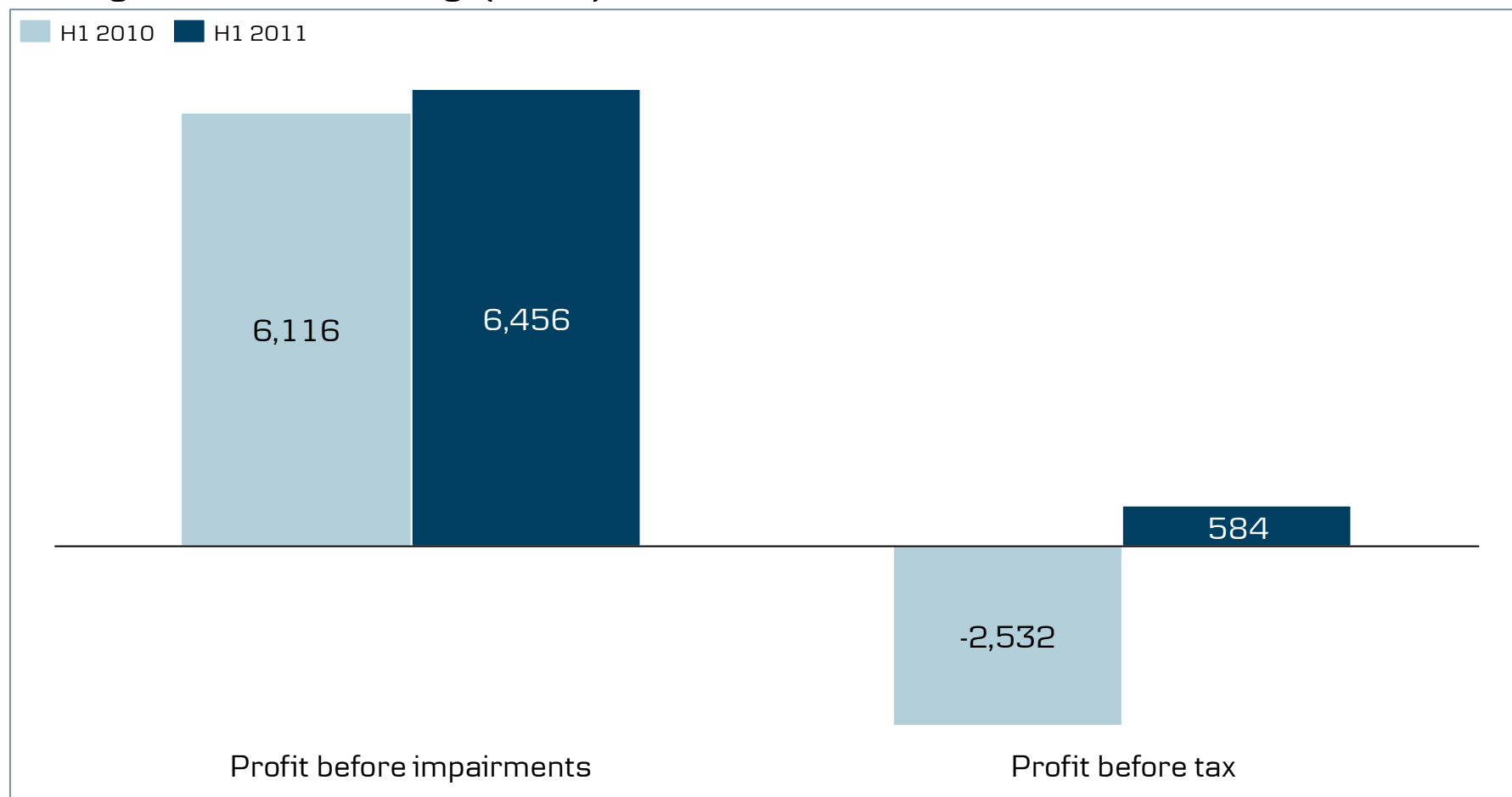
Loan impairment charges decline, but challenges remain in Ireland and Northern Ireland

Loan impairment charges (DKK bn)



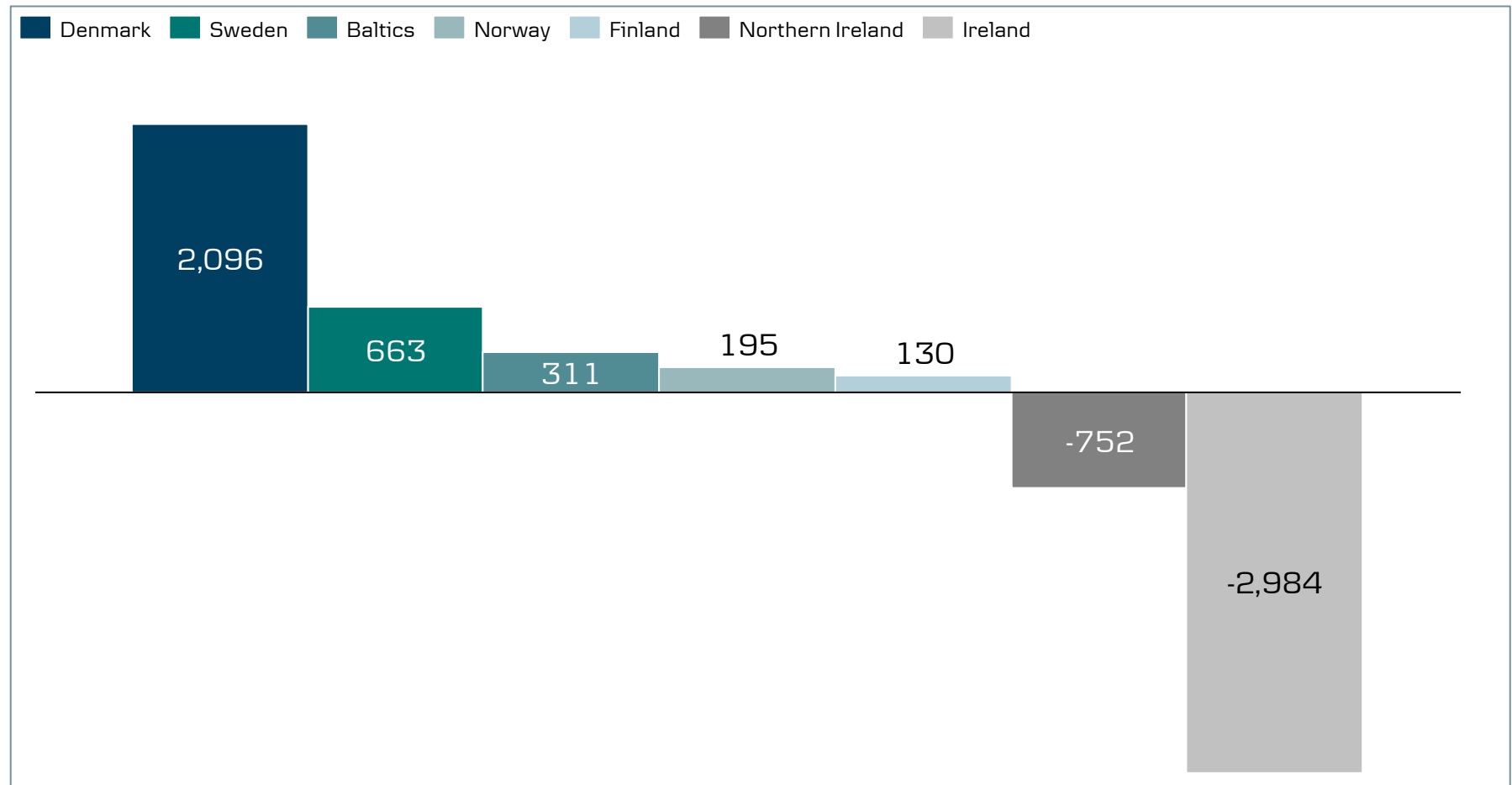
Banking Activities posts a large rise in earnings

Banking Activities, total earnings (DKK m)



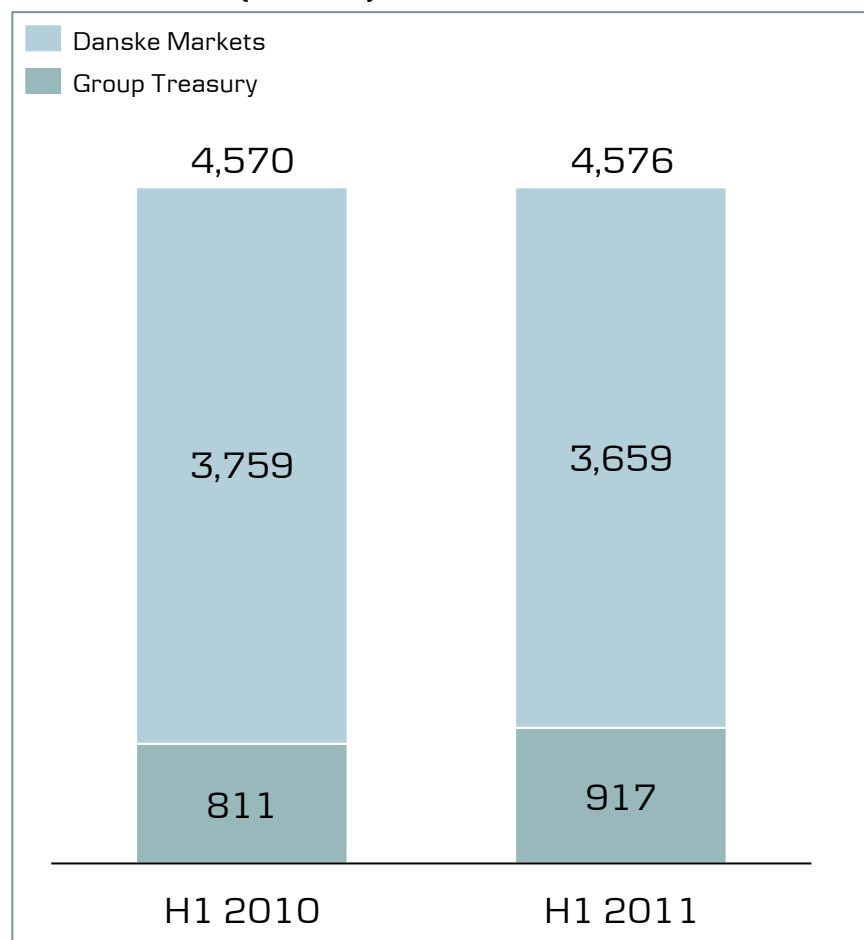
All Banking Activities units except Ireland and Northern Ireland book a profit

Banking Activities, profit before tax broken down by country, H1 2011 (DKK m)

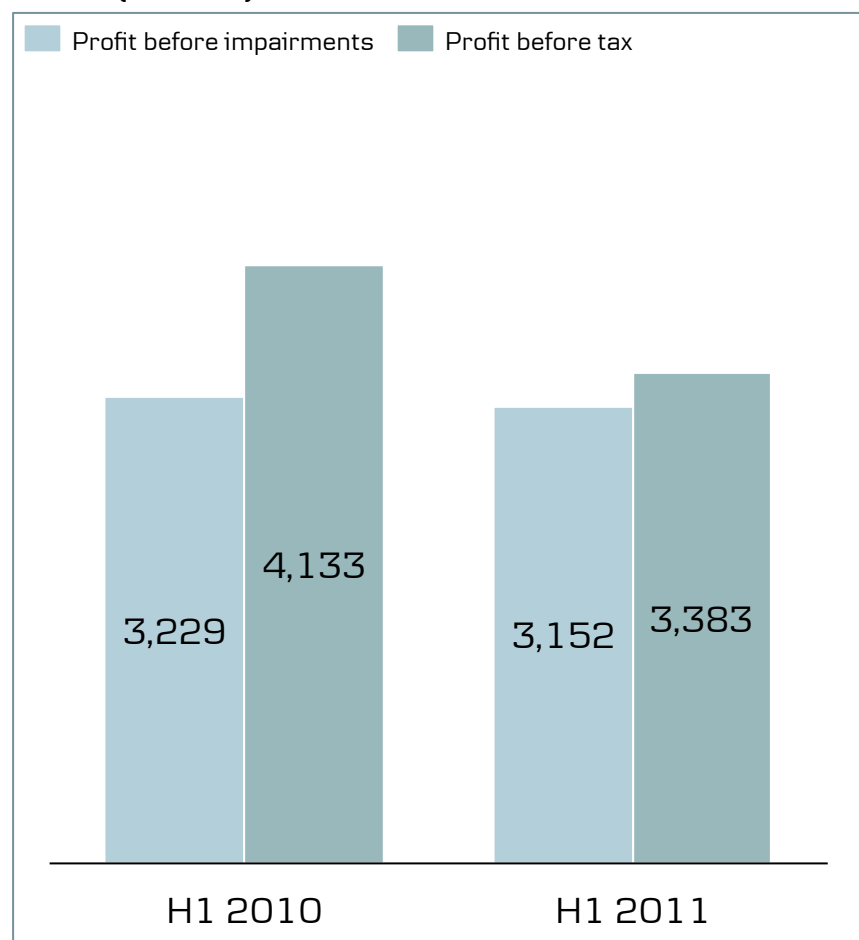


Danske Markets and Group Treasury maintain sound earnings

Total income (DKK m)

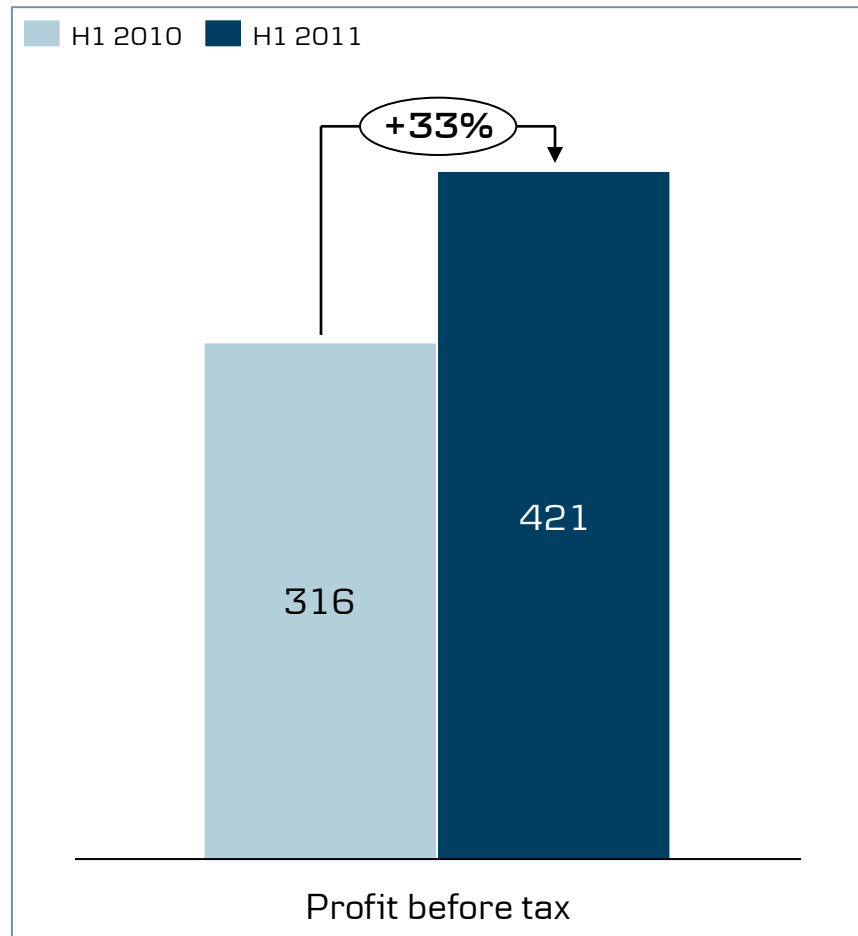


Profit (DKK m)

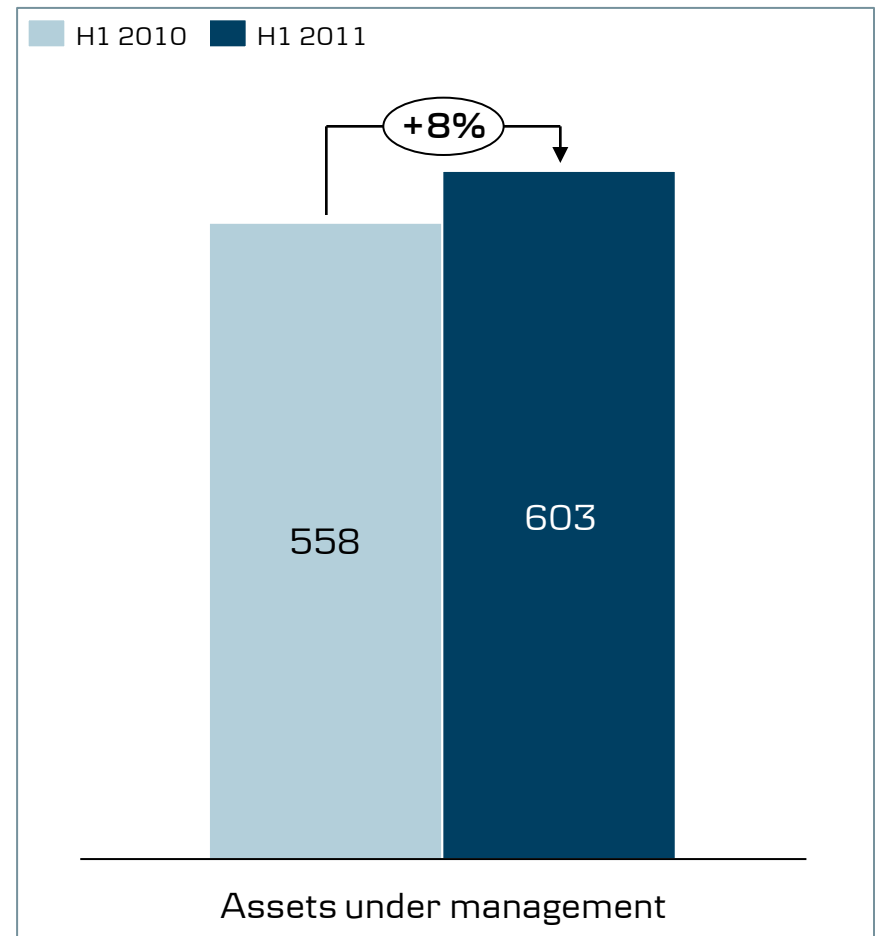


Danske Capital shows solid gain in volume and substantial rise in earnings

Profit before tax (DKK m)

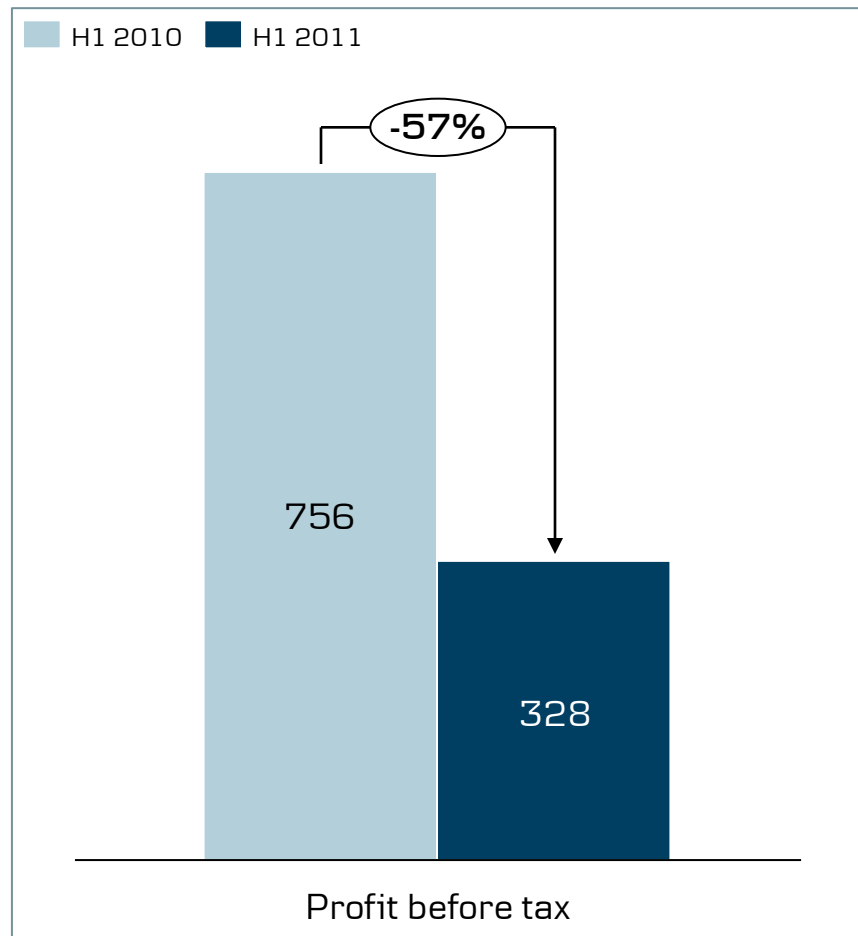


Assets under management (DKK bn)

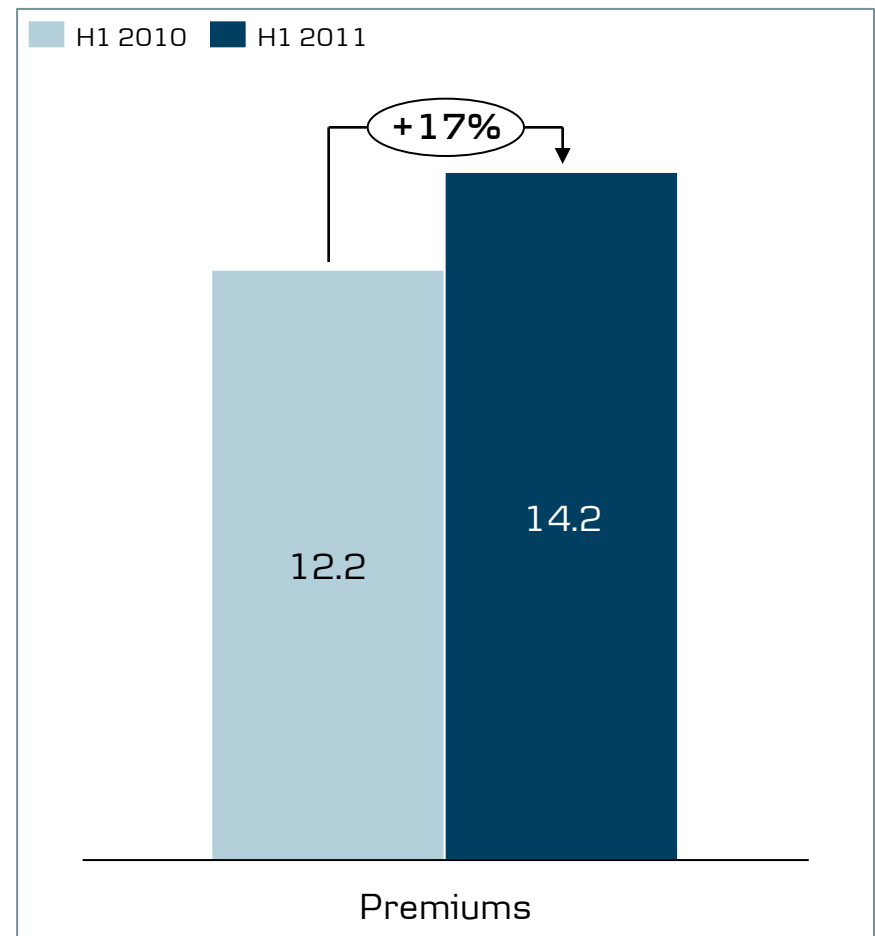


High premium growth at Danica Pension, but earnings decline because of lower investment return

Profit before tax (DKK m)

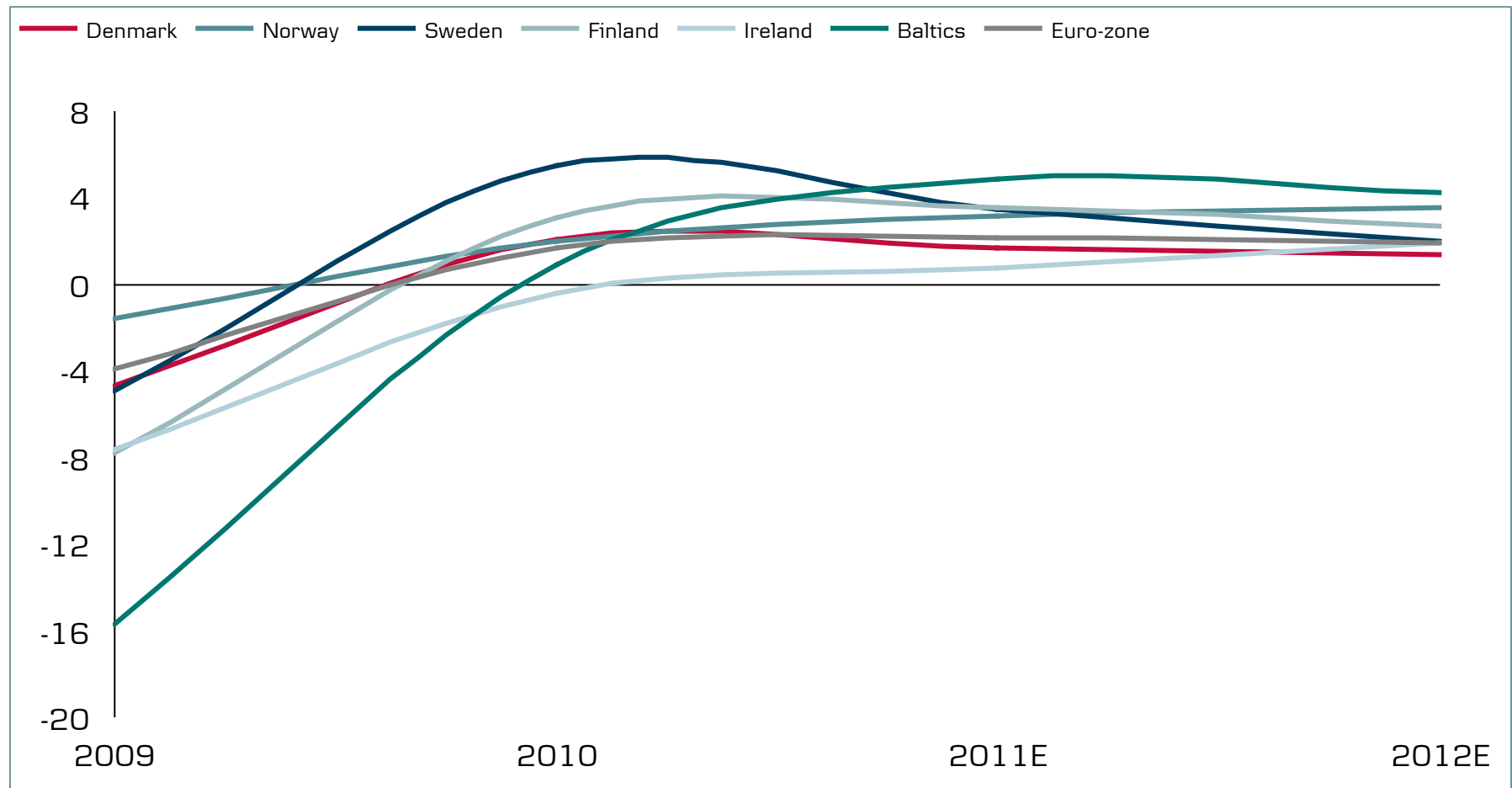


Premium income (DKK bn)



Recovery of the European economies continues, but growth is modest in some countries, including Denmark

GDP growth (%)



Outlook for 2011: Focus on increasing income and cost control

Increasing net interest income due to higher policy rates from the central banks

Rising income from lending under way in Denmark and additional initiatives coming at RD

Continued focus on costs, but 2011 expenses will be slightly above 2010 level

Impairment charges lower than in 2010, but challenges remain in Ireland and Northern Ireland

Trend at Danske Markets and Danica depends on the capital markets, but the positive trend at Danske Capital is expected to continue

Strong capital ratios and liquidity support the positive trend in earnings

Please use the microphones beside your seats



www.danskebank.com/ir

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