

Annual Report 2004

Copenhagen, February 10, 2005

2004 in brief

- Best financial results ever

Net profit for the year ↑ 14% to DKr10.6bn

- Core income increased 1%
- Operating expenses decreased 2%
- Loan-loss provisions close to zero
- Core earnings up 21%

(DKr m)	2003	2004	Index
Core income	26,949	27,257	101
Expenses	14,820	14,593	98
Core earnings before prov.	12,129	12,664	104
Provisions for bad debts	1,662	-18	-
Core earnings	10,467	12,682	121
Earnings from inv. portfolios	2,569	1,883	73
Profit before tax	13,036	14,565	112
Tax	3,750	4,007	107
Net profit for the period	9,286	10,558	114

Lending

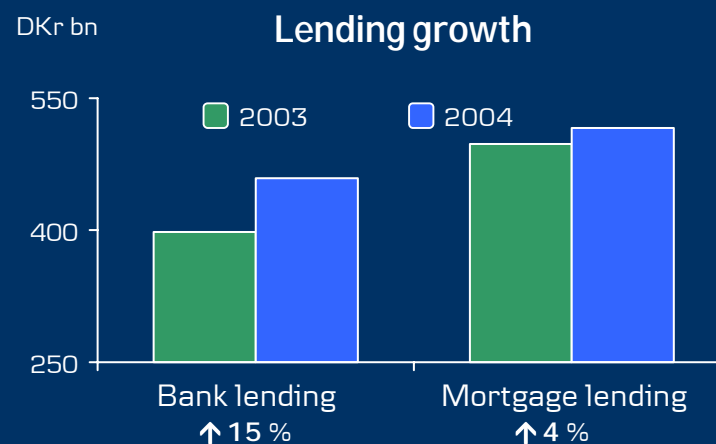
- Strong lending growth in 2004

Bank lending ↑15%

- Strong lending growth in all the Nordic countries throughout the year
- Growth dominated by property financing
- High corporate loan growth in Norway and Sweden - Denmark is picking up
- Increased market shares
- Low demand from large corporate customers

Mortgage lending ↑4%

- Mortgage loans in Denmark rose 4%
- strong growth in Q4 due to *FlexGaranti*®



Key figures and ratios

- Improvement across the board

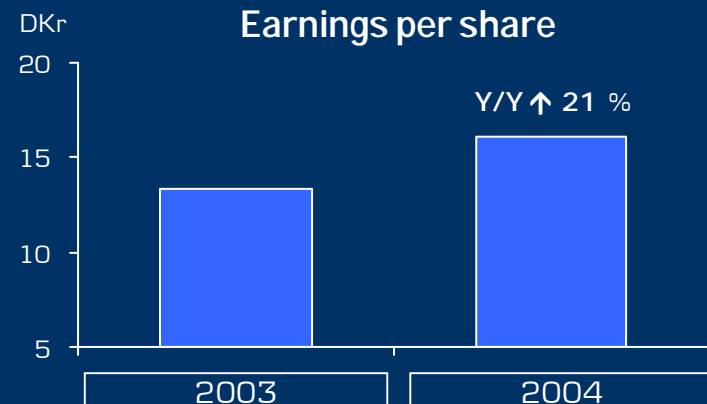
Return on equity rose to 17.4%

- Core return on equity increased by nearly 4 percentage points
- Return on equity up slightly less due to lower return on investment portfolios
- C/I ratio improves to 53.5%

Keyratios	2003	2004
Net profit as % of avg. sh. equity p.a.	15.2	17.4
Core earnings as % of avg. sh. equity p.a.	17.1	20.9
Cost/income ratio	55.0	53.5

Earnings per share ↑ 21%

- Earnings per share rose by 21% to DKr16.1
- Main factor was higher earnings
- Share repurchase also contributed

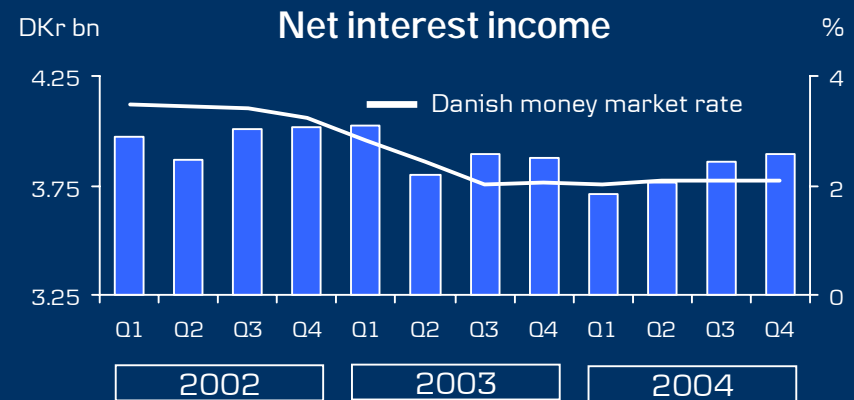


Net interest income

- Positive trend throughout the whole year

Net interest income ↓ 2%

- Lower interest rates reduced income by Dkr400m, mainly in H1
- Growth primarily in low-margin products, primarily property-finance products with low risk

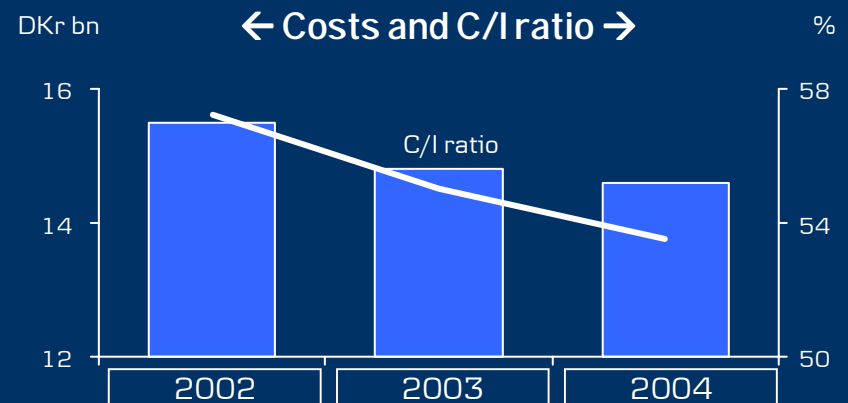


Costs

- Favourable trend continues

Costs ↓ 2%

- Costs totalled DKr14.6bn - as expected
- C/I ratio improved from 55% to 53.5%
- Focus on rationalisations to continue, but costs are unlikely to fall going forward

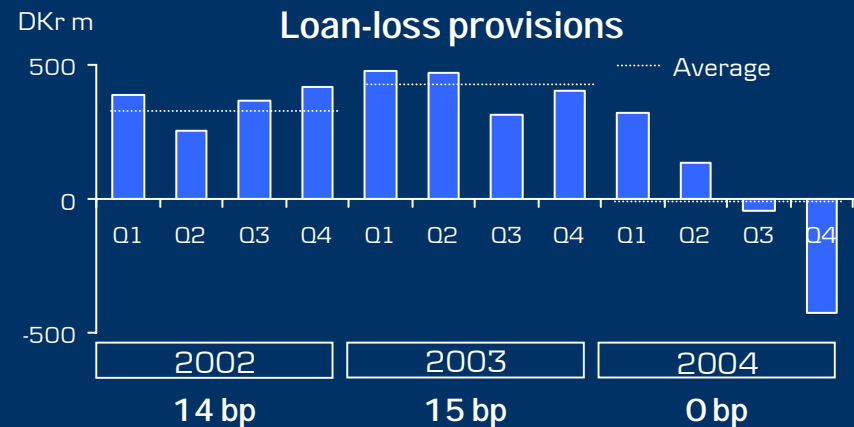


Loan-loss provisions

- Net loan-loss provisions of zero

Loan-loss provisions down to zero

- Sharply reduced need for net provisions
- Healthy macroeconomic conditions in the Nordic countries
- Net reversal after selling part of our international loan book in Q4
- Unchanged accounting principles



Capital structure

- Core capital ratio and solvency ratio above stated goals

The acquisition requires capital

- Core capital and solvency ratios currently above stated targets
- Share buyback for Dkr5bn in 2004
- Growth and the acquisition of National Irish Bank and Northern Bank will increase the need for capital in 2005

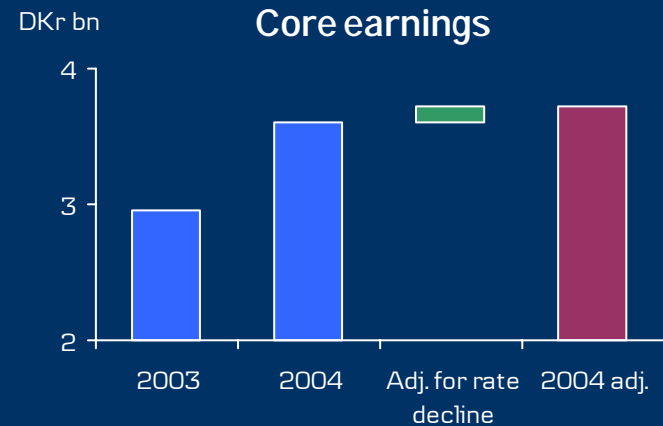
(as % of RWA)	Target	2004
Core capital ex hybrid capital	6.5	7.2
Hybrid capital	0.5	0.5
Core capital	7.0	7.7
Supplementary capital	2.5	2.5
Solvency	9.5	10.2

Banking Activities, Danske Bank

- Strong volume growth – lower margins

Core earnings ↑ 22%

- Strong growth in retail lending
- Lending to corporates picked up in the second half of 2004
- Lower margins due to product mix changes
- Costs unchanged
- Lower loan-loss provisions
- Increasing market shares – most pronounced in retail due to *Danske Prioritet*
- Strong sale of customer packages

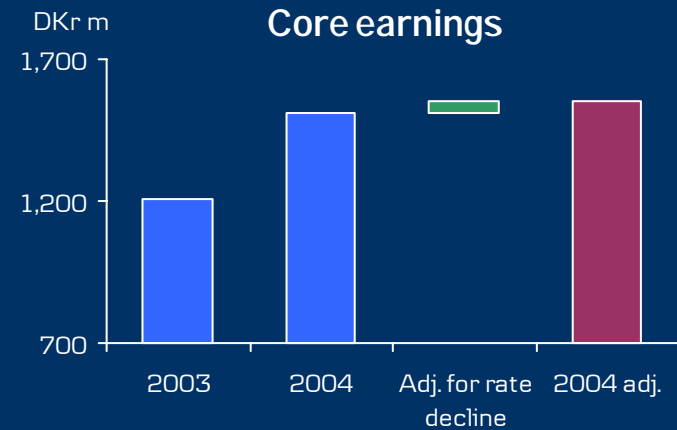


Banking Activities, BG Bank

- Strong volume growth – improved cost/income ratio

Core earnings ↑ 25%

- Strong growth in retail lending: 26%
- C/I ratio improved by 2 percentage points
- No loan-loss provisions
- *BG Bolig Plus* was the largest success
- Good trend in sales of customer packages in both retail and corporate segments
- Positive trend at Agricultural Centres

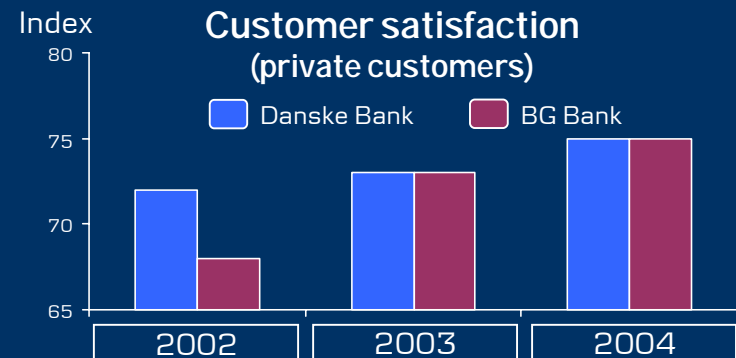


Customer and employee satisfaction

- Increasing across the board

Increasing customer satisfaction

- Satisfaction rose 2 points in 2004
- BG Bank's improvement in 2003 maintained



Employee satisfaction increases even more

- Significant improvements in 2003 and 2004
- Now above sector average



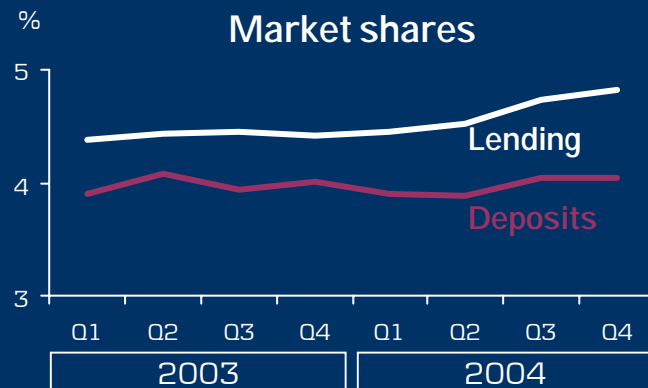
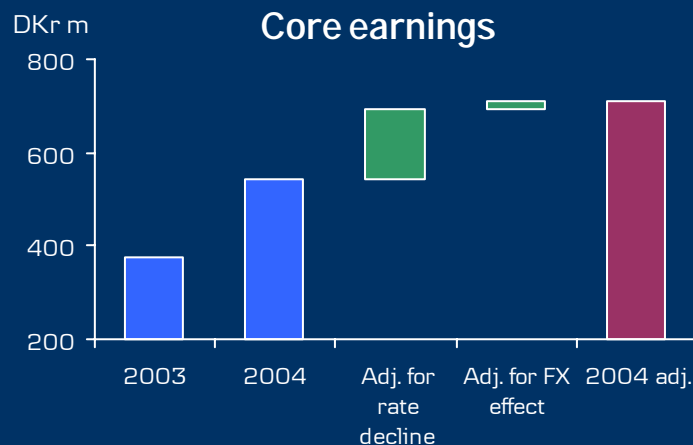


Banking Activities Norway

- Increasing market share

Core earnings ↑ 46%
(↑ 42% in local currency)

- Unchanged income in spite of healthy lending growth
- Falling net interest income due to lower interest rates
- Net reversal of loan-loss provisions
- Branch expansion successful and set to continue



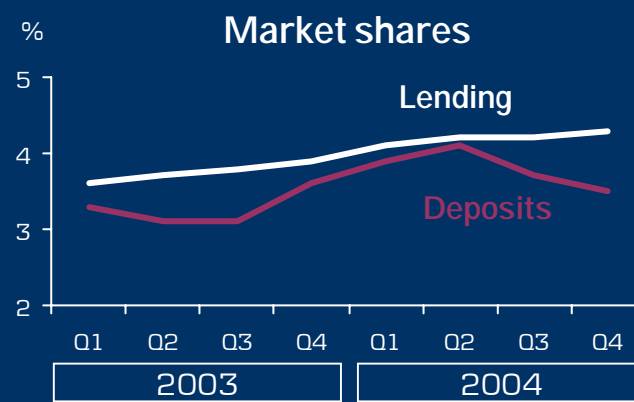
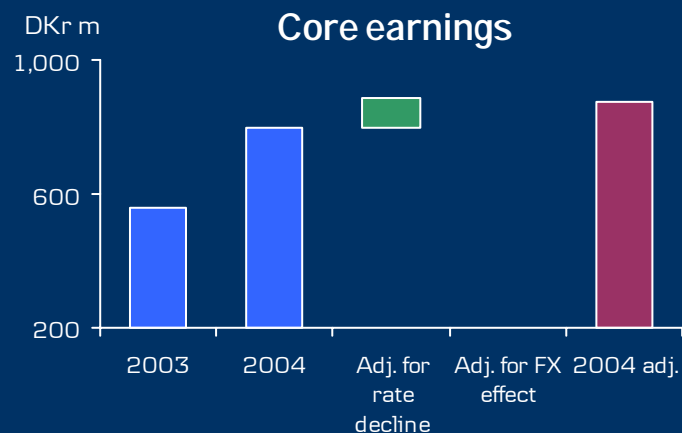


Banking Activities, Sweden

- High growth in earnings and business volume

Core earnings ↑ 42%
(↑ 41% in local currency)

- Strong growth in retail and corporate lending
- Increasing income due to strong rise in activity
- Net reversal of loan-loss provisions
- *DuoFlex* off to a strong start
- Branch openings successful and set to continue
- Finance Centres introduced in 2005



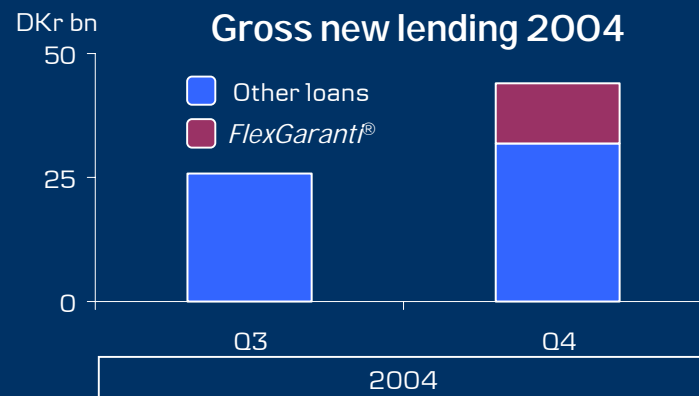
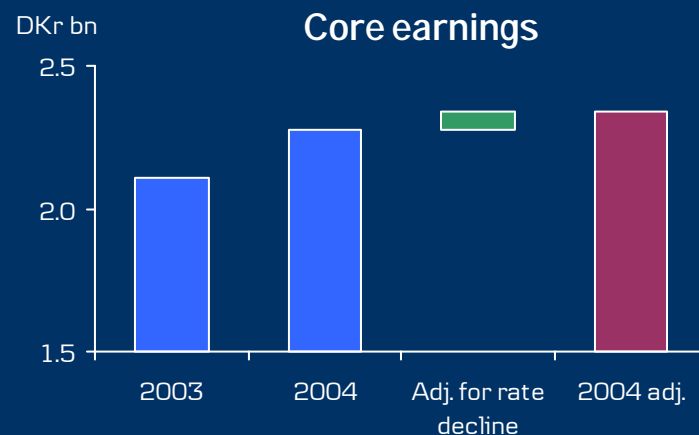


Mortgage Finance

- Product innovation supports growth

Core earnings ↑ 8%

- 4% lending growth
- Costs lower
- Successful launch of *FlexGaranti*® boosted income in Q4



Danske Markets

- Lower result, as expected

Core earnings ↓ 16%

- Normalised activity level
- Increased earnings from equity trading and Corporate Finance
- Maintained leading market positions in Denmark and Sweden
- Improved position in Norway



Danica Pension

- Good growth in premiums and high investment returns

Core earnings ↑ 18%

- Regular premiums up 13%
- Continued growth in unit-linked business
- Investment return on customers' funds rose from 6.4% to 10.3%
- Danica has “green light” and significant collective bonus reserves of DKr7.7bn



Danske Capital

- Lower costs increase earnings

Core earnings ↑ 29%

- Assets under management increased by 8%
- Lower margin due to changes in product mix and customer mix
- Costs reduced by 19%





Employee shares

- DKr1 10m after fulfilment of stated goals

Employee shares to all employees

- Allocated after fulfilment of stated goals
 - 2.5% of the increase in core earnings
 - Measures for customer satisfaction, customer loyalty and new customers
 - Both goals are limited to DKr50m

Facts about employee shares

- Total value: DKr1 10m
- Purchase price: free of charge
- Held in custody for 7 years
- Shares per employee: approx. 42
- Value: almost DKr6,900 per employee

Status of the NIB and NB acquisition

The acquisition

- Two banks:
 - National Irish Bank (NIB), Rep. of Ireland
 - Northern Bank (NB), Northern Ireland
- Price paid: Dkr10.4bn

Why Ireland & Northern Ireland?

- High growth regions - especially the banking market in the Republic of Ireland
- Danske Bank's retail banking model is flexible, scalable and exportable
- NIB and NB are underinvested, presenting potential for synergies

Status

- Awaiting approval from authorities, expected in Q1 2005
- Conversion to central IT platform will start in Q2 2005

National Irish Bank in brief



- Market share of 2%-3%
- 59 branches and 13 business centres
- 134,000 retail customers
- 8,000 corporate customers, mainly SMEs
- 800 employees

Northern Bank in brief



- Market share of 15%-20%
- 95 branches and 13 business centres
- 349,000 retail customers
- 22,000 corporate customers, mainly SMEs
- 2,300 employees

Banking Activities UK & US

- Status of the downscaling and closure of wholesale activities

- Closure of branch in New York and downscaling international wholesale banking activities in UK were announced in November
- Unfavourable market conditions limited earnings and potential for earnings in the future
- Agreement to sell large portfolios of loans in the UK signed in December
- New York Branch is expected to close at the end of Q3 2005

Outlook for 2005

- In an IFRS regime

- Macroeconomic outlook: moderate growth, low inflation and low interest rates
- Total income higher, mainly because of NIB & NB
- Stable costs, excluding NIB & NB
- Higher cost/income ratio
- Loan portfolio quality will remain high, and loan-loss provisions will remain low
- Operating profit in line with 2004, assuming unchanged interest rates and stable share prices

The background is a solid blue color with a faint, embossed logo and text. The logo is a stylized 'D' with a curved top, and the text is 'DANSKE BANK' in a serif font. The logo and text are slightly out of focus and appear to be on a metallic or plastic surface.

www.danskebank.com