

Annual Report 2007: Resilient results in turbulent times

31 January 2008

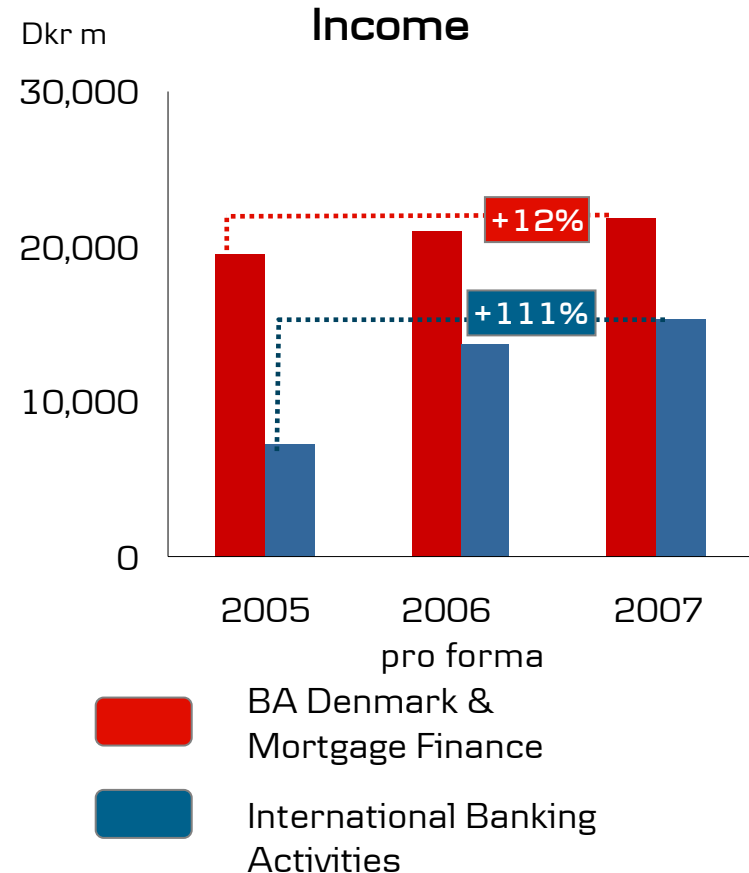
Agenda

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Key messages

- Strong and stable earnings despite turmoil

- Strong results, given turbulent market conditions
- Earnings slightly below Q3 estimate but in line with original guidance
- Strong profitability advancement in international operations
- ROI at NB and NIB moving very close to cost of capital, 3 years after acquisition
- Sampo Bank integration on track
- Dkr 12bn or 21% reduction in liquidity back-up facilities in Q4 2007
- Successful introduction of several new products
- Liquidity position remains very strong
- Launch of ambitious financial goals for 2012



Financial targets 2012

- From vision to ambitious financial targets

Our vision

'One platform - exceptional brands'

Our mission

'The best local financial partner'

Danske Banking Concept

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

Income - 2012

> DKr 55bn
(2007: DKr 45bn)

C/I-ratio - 2012

< 45%
(2007: 56%)

EPS-growth 2007-12

Above 8% p.a. on average
(EPS in 2007: DKr 21.7)

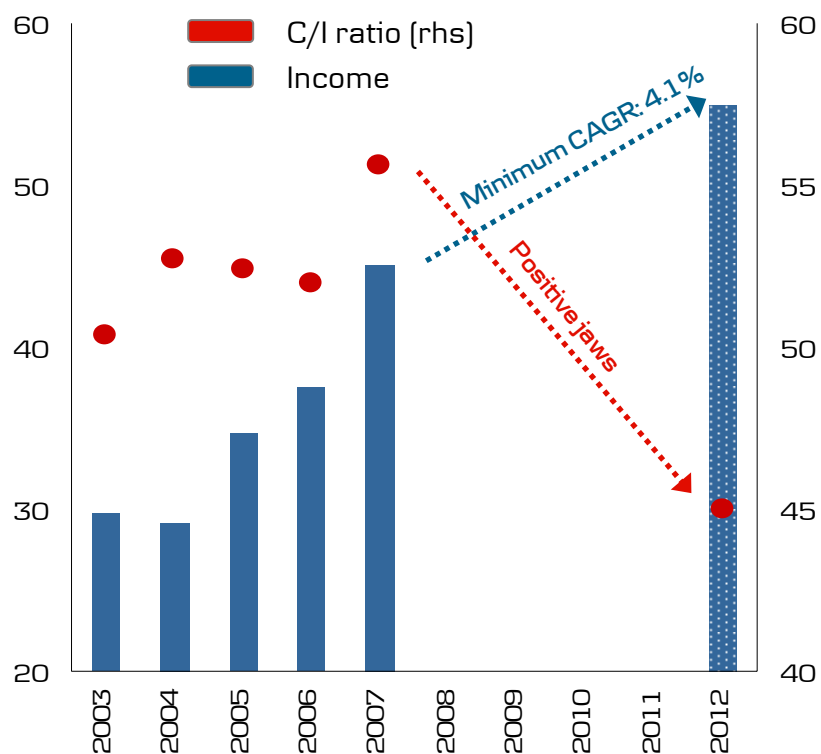
Key assumptions

Generally well-functioning financial markets
Weighted Group GDP growth of 2% in our markets

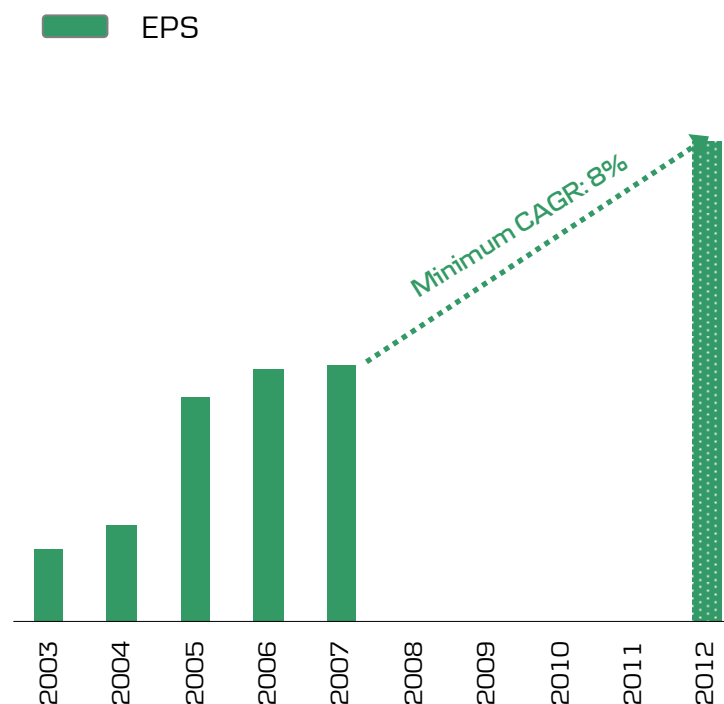
Financial targets 2012 (cont'd)

- An ambition and commitment to deliver value creating growth

DKr bn
Total income and C/I ratio
2003-07 & 2012 target (minimum)



Earnings per share
2003-07 & 8% growth target (minimum)



Performance highlights

- Satisfactory result given tough market conditions

Net profit ↓ 3% to DKr 14.9bn

- Earnings slightly below expectations after Q3 but in line with original guidance
- Total income came in as expected, with a gain of 5%, despite the turbulent financial markets
- Total expenses up 11%, slightly higher than expected owing mainly to non-recurring items
- 12% lending growth, but the pace is slowing
- Credit losses increased, but remain well below expected average

Income statement and key figures

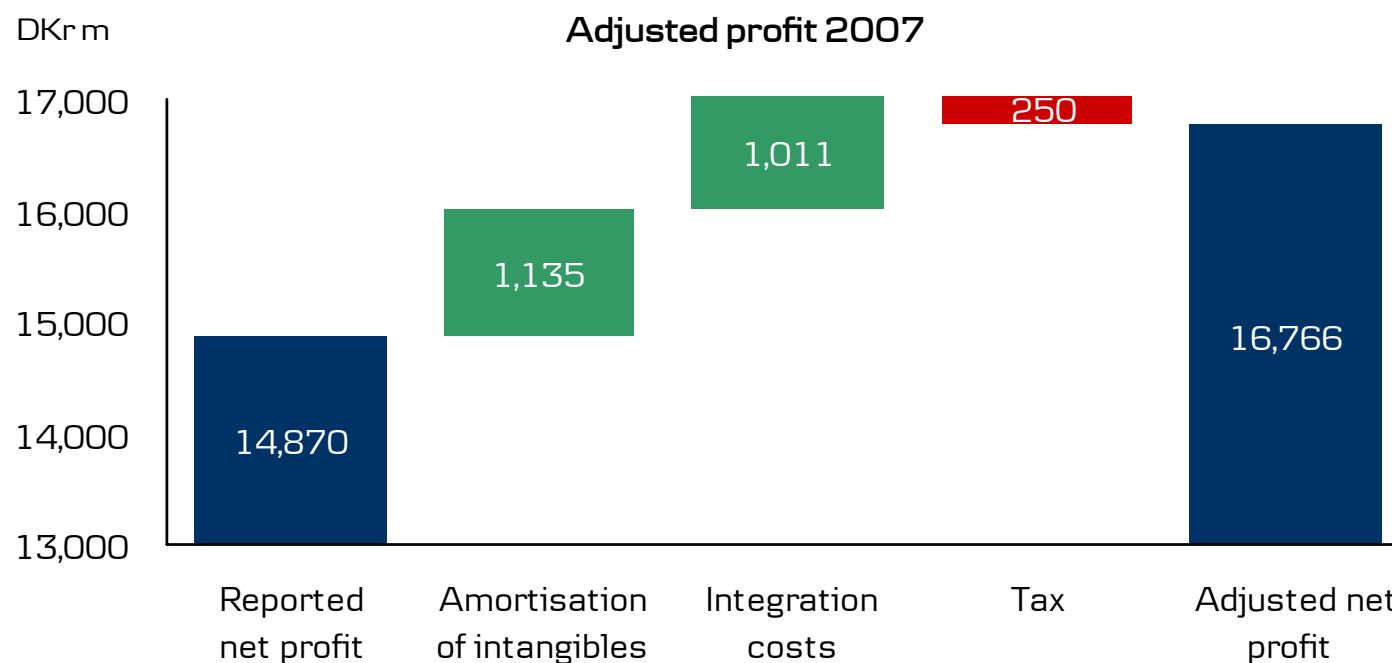
DKr m	Pro forma		
	2006	2007	Index
Net interest income	22,610	24,260	107
Net fee income	8,877	8,788	99
Net trading income	7,280	7,887	108
Other income	2,952	3,010	102
Net income from insurance business	1,355	1,118	83
Total income	43,074	45,063	105
Expenses	22,640	25,070	111
Profit bef. credit loss exp.	20,434	19,993	98
Credit loss expenses	-484	687	-
Profit before tax	20,918	19,306	92
Tax	5,549	4,436	80
Net profit for the period	15,369	14,870	97
Earnings per share (DKr)	-	21.7	-
Return on equity, p.a. (%)	-	15.1	-
Cost/income ratio (%)	52.6	55.6	106
Cost/income ratio (%) ex integration	49.9	50.9	102
Core capital ratio ex hybrid (%)	-	5.6	-
Risk-weighted assets (DKr bn)	1,253	1,313	105

Underlying profit up 13%

- Earnings higher when adjusted for total integration costs

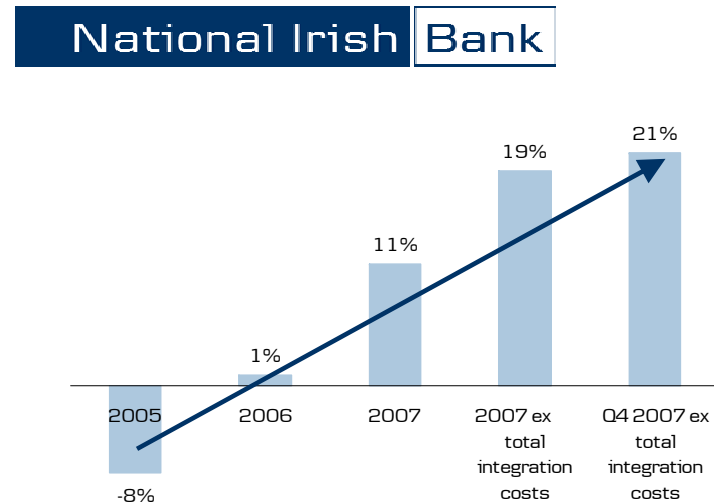
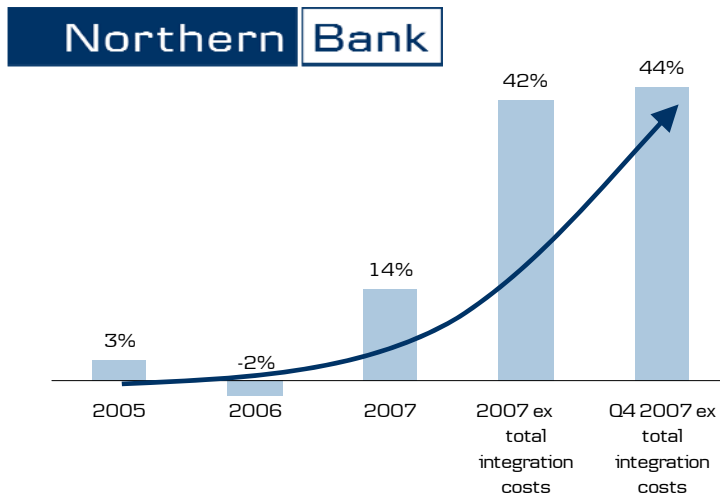
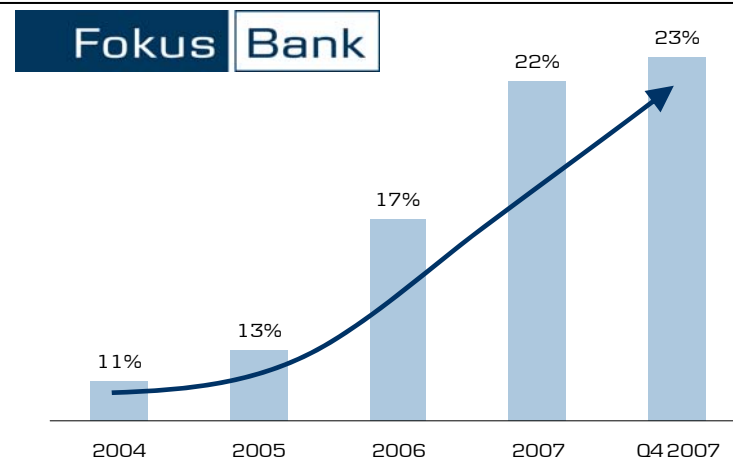
Underlying profit 13% higher than reported profit

- Total integration costs: DKr 2.1 bn
- Tax on integration costs: DKr 250m



J curves: ROE before credit losses and tax

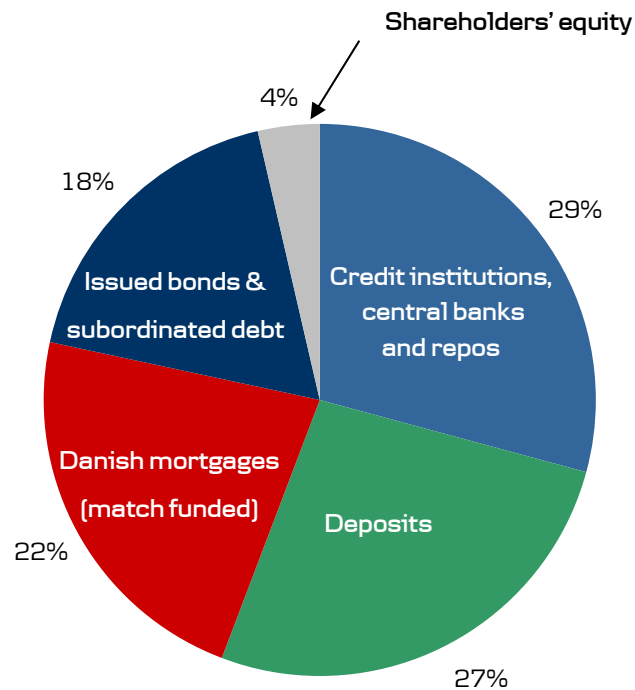
- Significant improvement in international banking activities



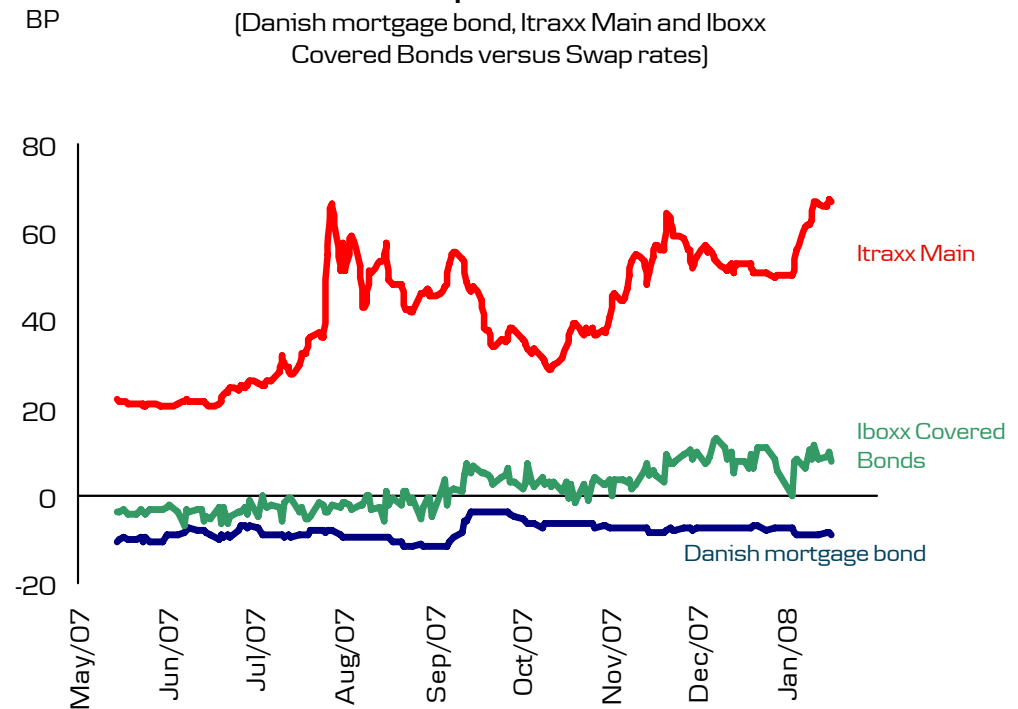
Unique funding of mortgages in Denmark

- Access to well-functioning funding with proven stability

Funding structure

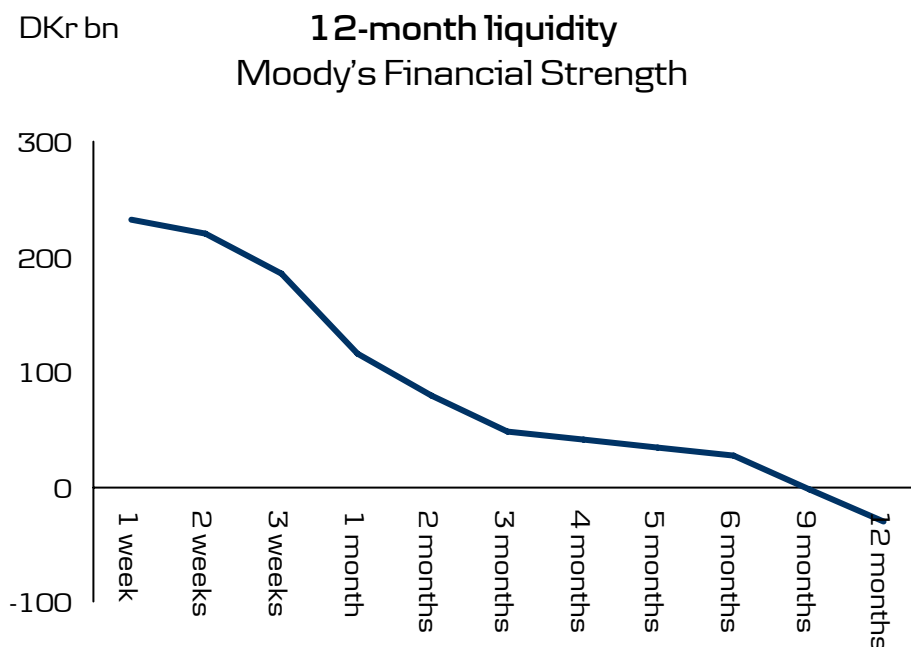


Spreads



Liquidity

- Strong liquidity position throughout the crisis in capital markets



Main assumptions

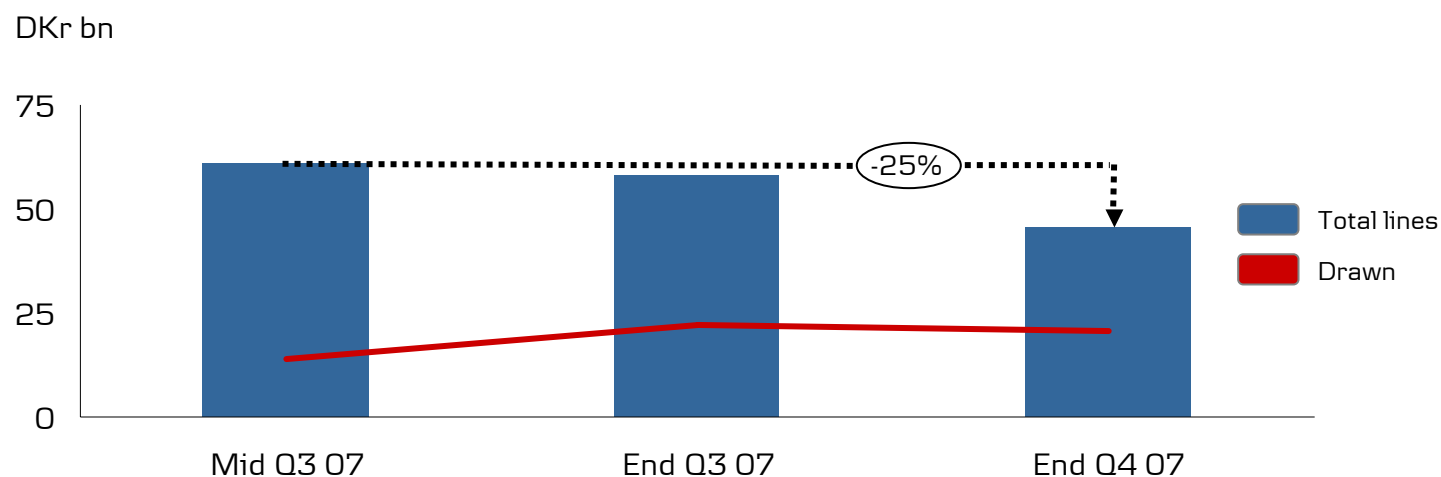
- No access to capital markets. No refinancing of debt to credit institutions, issued bonds or subordinated capital.
- Moderate reduction of business activities.

Liquidity management	
Operational liquidity risk	Securing positive liquidity position in the short term
Liquidity stress tests	Calculating potential liquidity gaps in various scenarios and identifying means to close these gaps
12-month liquidity	Monitoring of 12-month liquidity position if cut off from capital markets
Structural liquidity risk	Providing input for long-term liquidity planning and ensuring funding diversification

Backup liquidity facilities to conduits

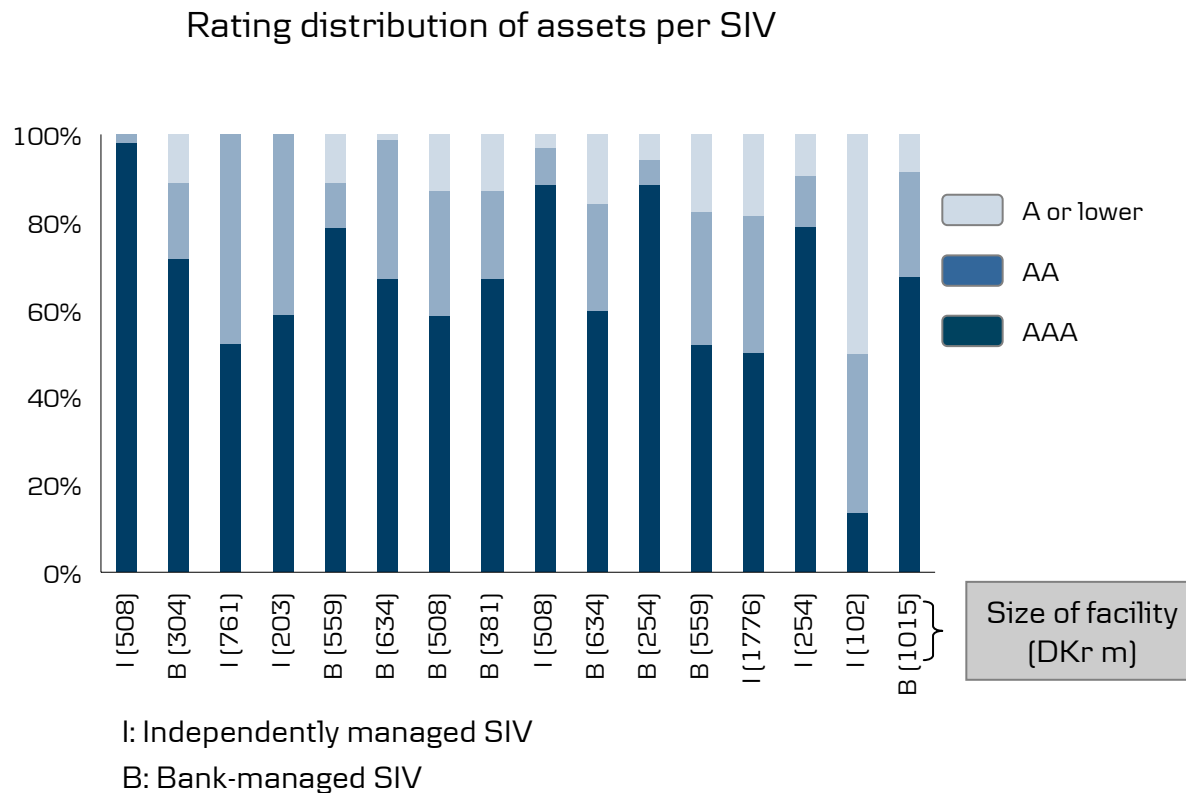
- Reduced by DKr 12bn in Q4 and unchanged drawn lines

End 2007	SIVs	ABCPs	Polonius	Total
Number	16	18	1	35
Bank-managed	9	-	1	10
Amount (DKr bn)	9.0	22.2	14.7	45.9
Bank-managed (DKr bn)	4.8	-	14.7	19.5
Lines drawn (DKr bn)	1.4	6.7	12.7	20.8
WARF (see next slide)	<20		3.6	



Special Investment Vehicles (SIVs)

- High proportion of AAA assets



Estimated average WARF: below 20

WARF (Moody's)

Aaa	1
Aa1	10
Aa2	20
Aa3	40
A1	70
A2	120
A3	180
Baa1	260
Baa2	360
Baa3	610
Ba1	940
Ba2	1350
Ba3	1766
B1	2220
B2	2720
B3	3490

(WARF = Weighted Average Rating Factor)

SIVs' subprime exposure

- Only one with more subprime exposure than equity (bank-sponsored)

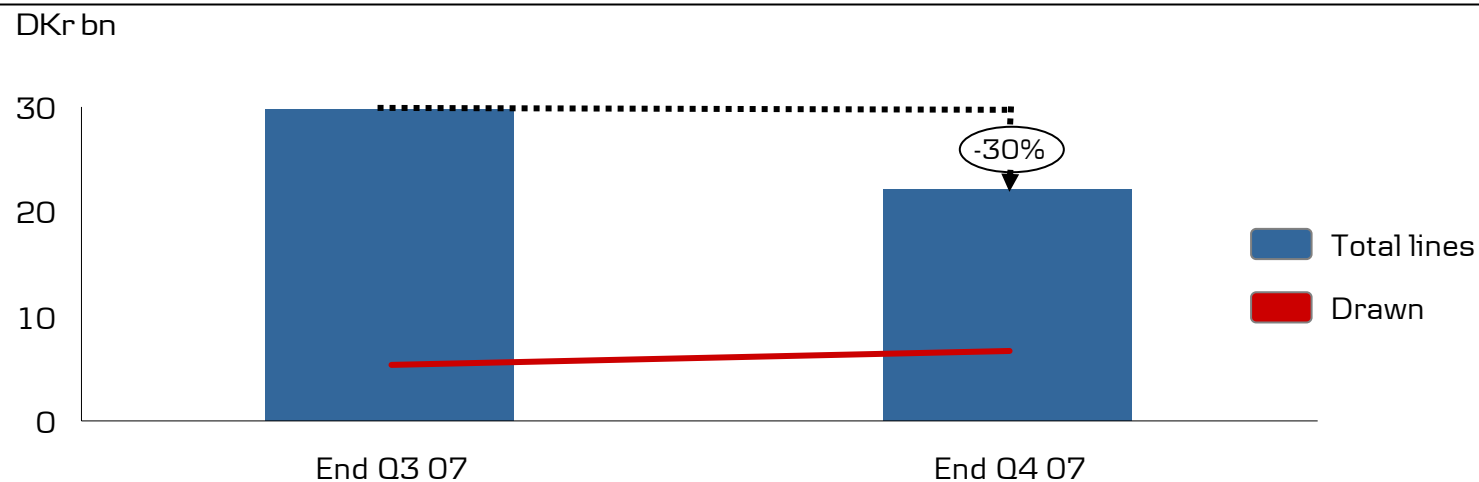


ABCPs

- Volume coming down and high assets quality

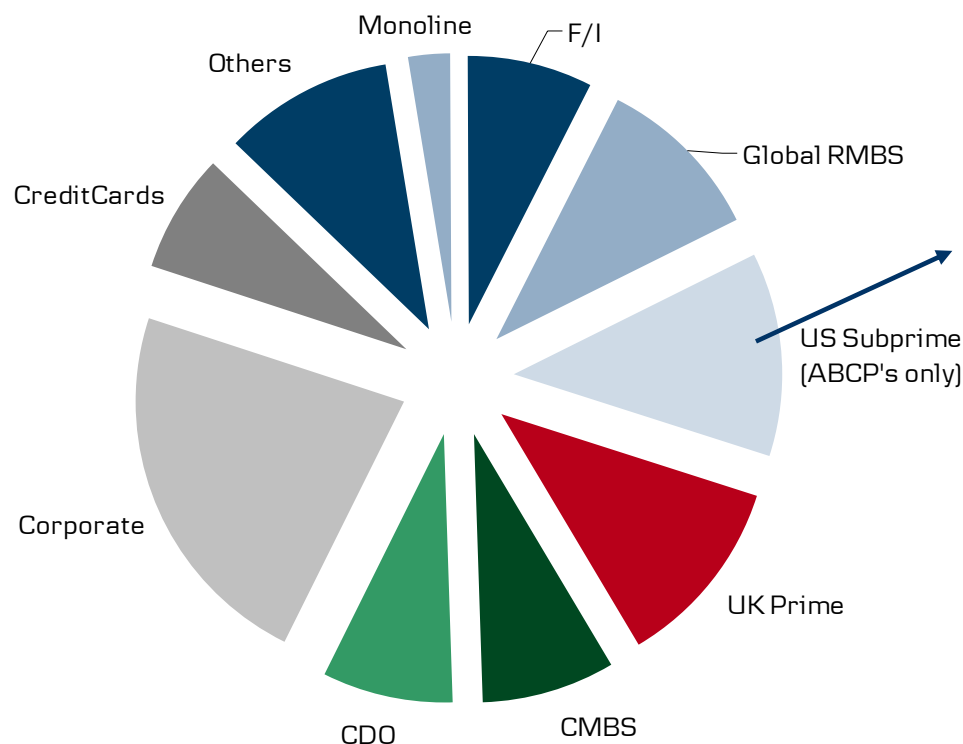
	No.	Volume DKr bn	Drawn DKr bn	AAA	AA	A1
European facilities	7	9	6*	80%	0%	20%
US facilities	11	13	1	72%	8%	20%
Total (DKr bn)		22	7	17	1	4

* AAA-rated assets only. Includes 4 bn in UK prime mortgages.



Asset backing for liquidity portfolio

- High credit rating and resilient to further house price decreases



Specific US Sub Prime Exposure

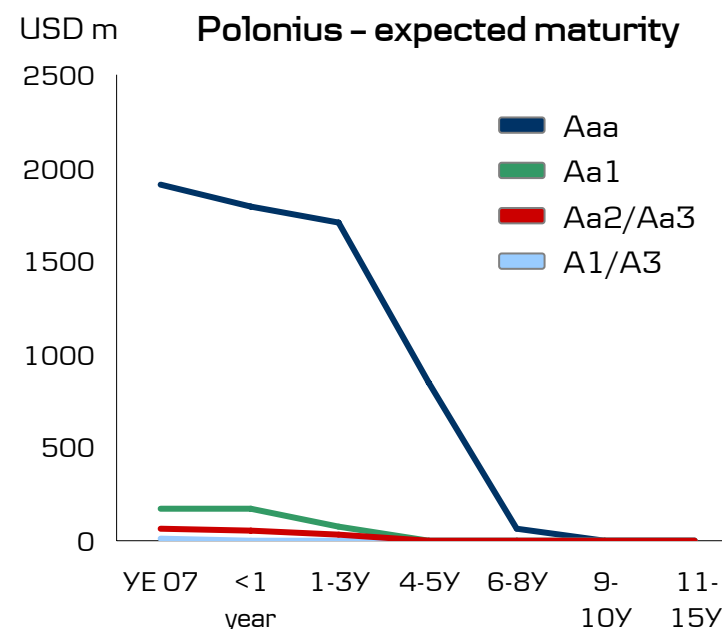
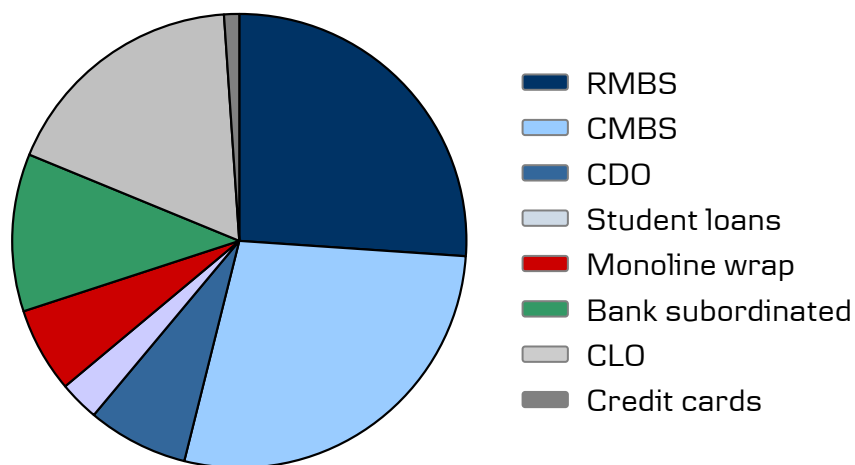
- Undrawn ABCP back-up line
- Collateralised by diversified pool of 16 “AAA” rated bonds
- 30% 2005 vintage, 70% early 2006. No second lien collateral.
- Average future collateral pool losses modelled at 21% under base case
- Average Loss Cover Ratio (i.e. Losses/Subordination) of 2x (minimum: 1.5x)
- All bonds considered “money good” even under stressed base case

Note: Figures are approximate and are based on year-end 2007 information, where available.

Polonius – the Group's sponsored conduit

- Strong asset quality and fast run-off

- Polonius is fully consolidated
- No impairment charges booked
- No subprime RMBS bonds
- No leveraged loan CLOs
- No super senior leveraged bonds
- The Moody's Weighted Average Rating Factor (WARF) is 3.6

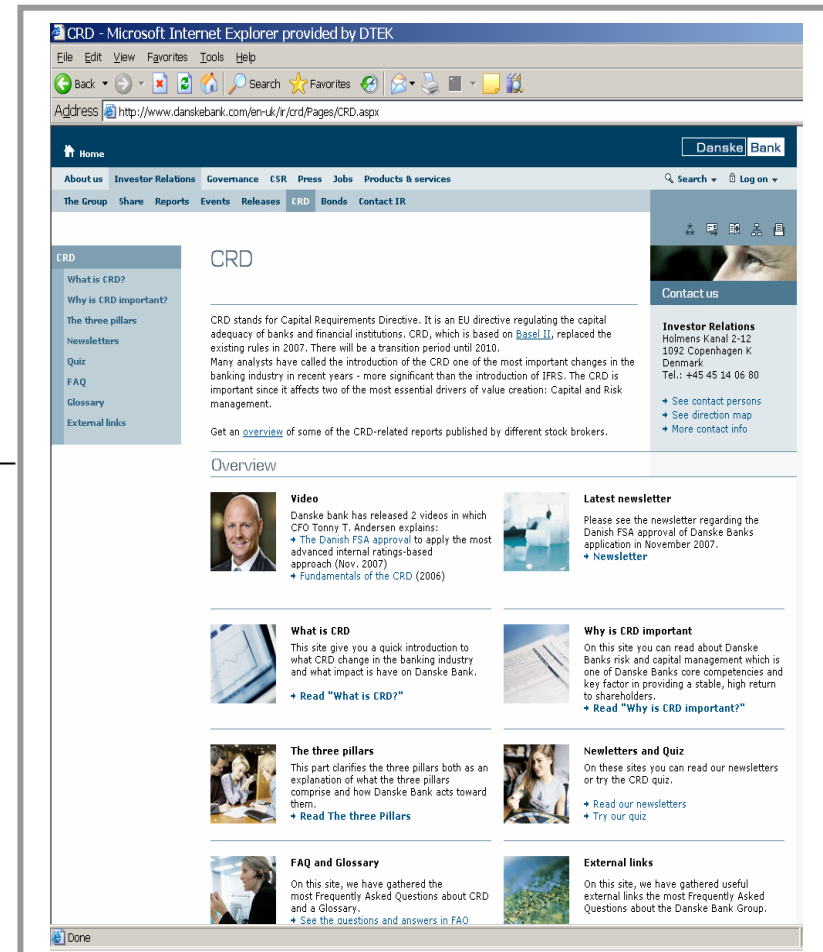
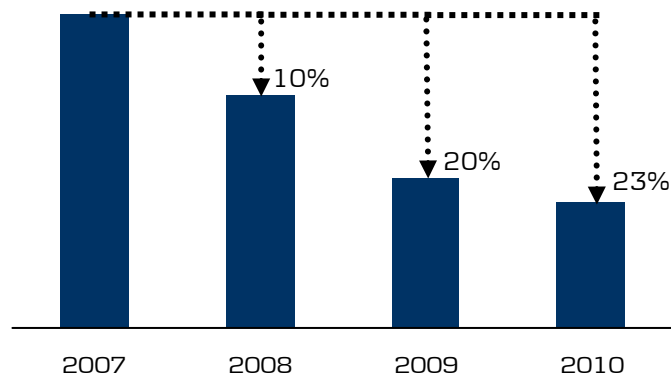


CRD – approval for IRB-advanced obtained

-Transition from Basel I to Basel II

- Obtained approval to use the advanced IRB approach from the Danish FSA in November 2007
- Pillar I & II under CRD: RWA 23% below Basel I; RWA based on through-the-cycle PD
- Gradual implementation: 10% effect in 2008, 20% in 2009, and full effect in 2010
- See the CRD section of our dedicated web site (www.danskebank.com/en-uk/ir/crd)
- See our notes on risk in our annual report page 54

Reduction in RWA in 2010 (pillar I & II)
(based on RWA end of 2007)



Update on Sampo Bank

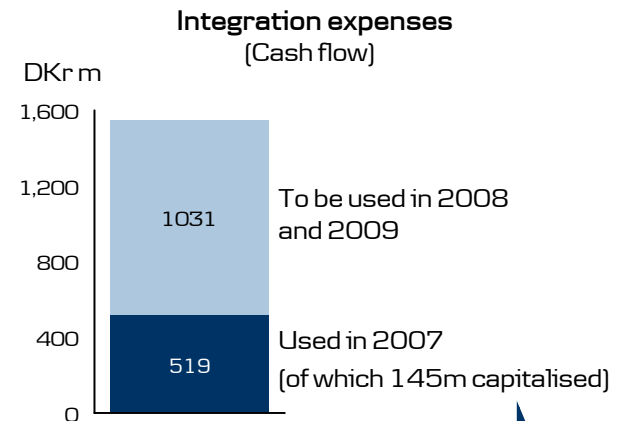
- Integration proceeding according to plan

Integration of Sampo Bank will take place at Easter 2008

- Migration test and conversion test phase completed
- Training of Sampo Bank employees as planned
- Customer communication and marketing plan completed

Baltics

- Key business procedures implemented
- Technical infrastructure in place for Lithuania and Latvia; technical infrastructure for Estonia completed in June 2008
- Rebranding and conversion of Baltic banks to branch status expected in June 2008



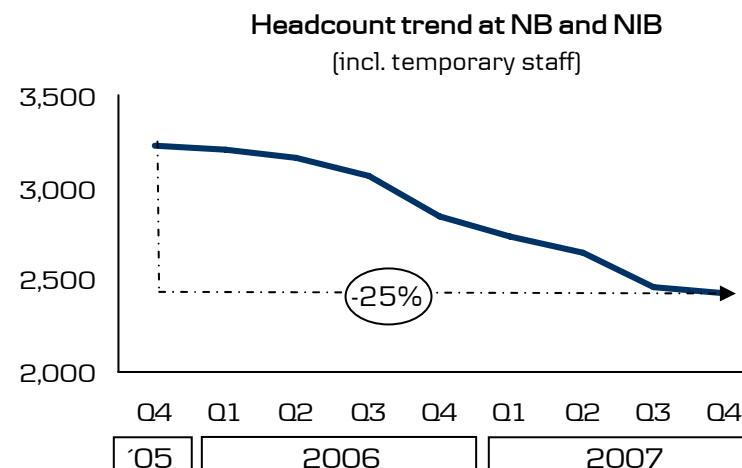
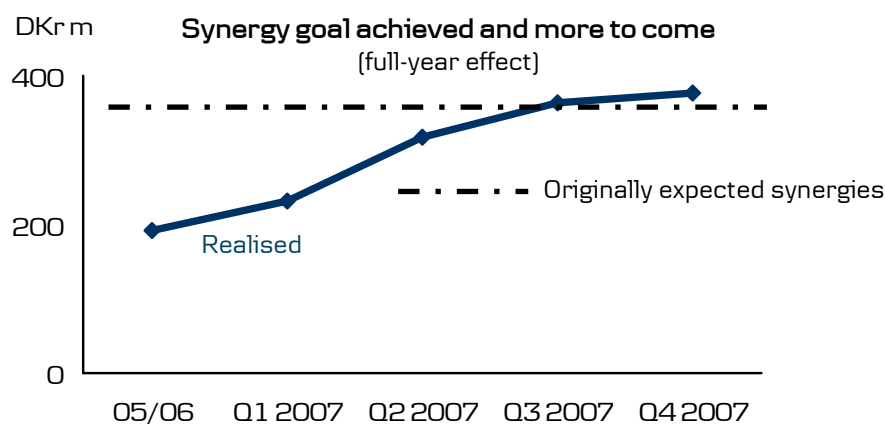
Update on NB and NIB

- Accumulated synergies better than expected and ROI → COC

Integration project finalised

- A total of DKr 1,7m spent on integration
- DKr 378m in total synergies achieved
- Return on investment at 11.5% and moving towards cost of capital three years after the acquisition
- Further synergies expected in 2008 (> DKr 30m)
- 25% reduction in headcount and 28% increase in revenues since acquisition in Q1 2005

DKr m	ROI in NB and NIB	2007
Acquisition price		10.6
Total integration expenses		1.7
Capital allocated since acq. (5.5% of RWA-growth)		0.4
Total investment		12.7
Total income		3.9
Total expenses ex total integration expenses		2.3
Profit before credit loss expenses		1.6
Credit loss expenses		0.1
Profit before tax		1.5
ROI		11.5%

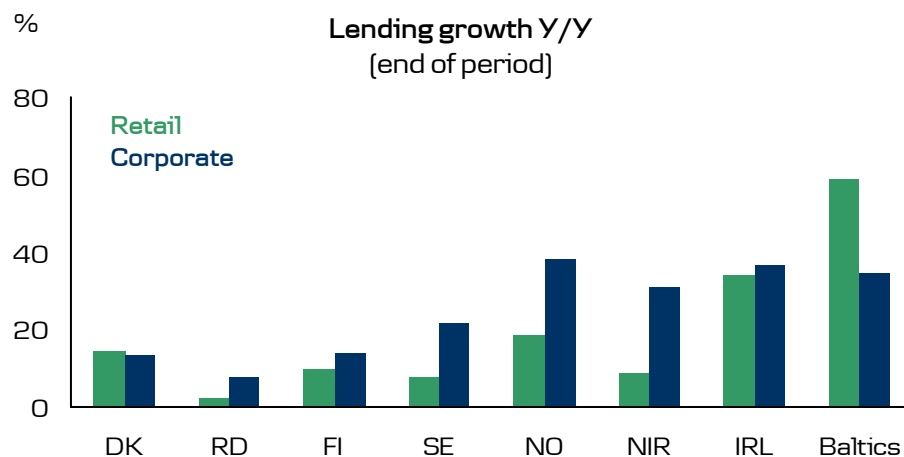
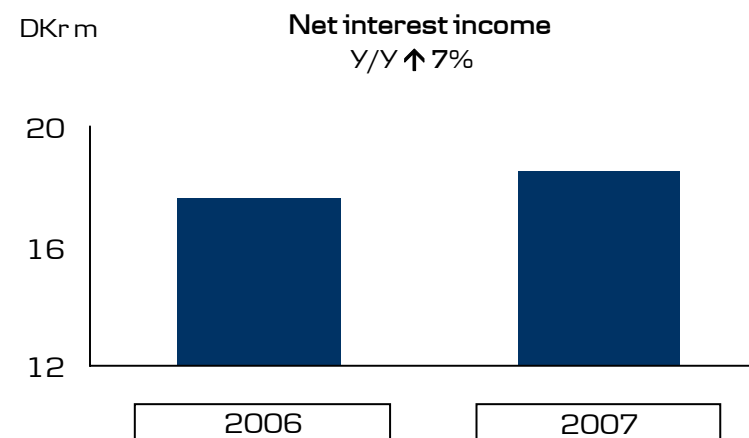


Net interest income

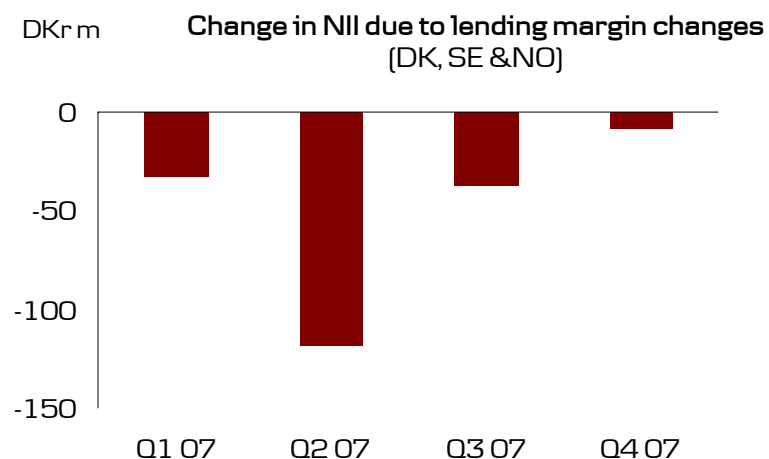
- Good lending volume growth and higher interest rates boost NII

Net interest income ↑ 7%

- NII rose despite financing costs for Sampo Bank acquisition and new product offerings
- NII from activities outside Denmark was main contributor to growth
- Danish growth down due to lower deposit margins
- Lending and deposit growth continued at double digits, although slowing somewhat in Denmark
- Abating pressure on lending margins



Note: NIR is in local currency and ex short-term lending to public sector

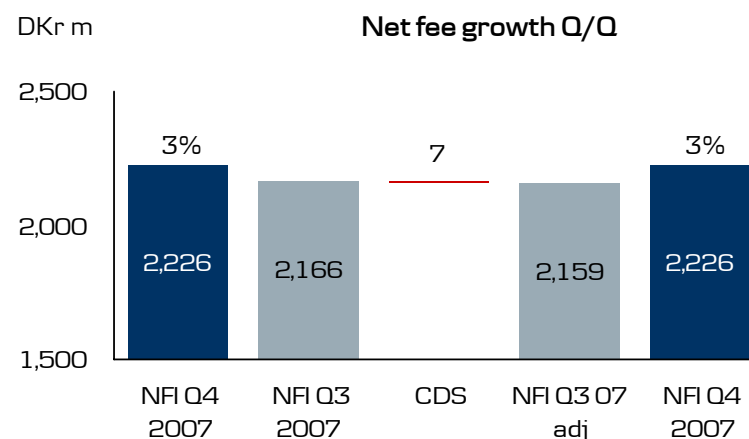
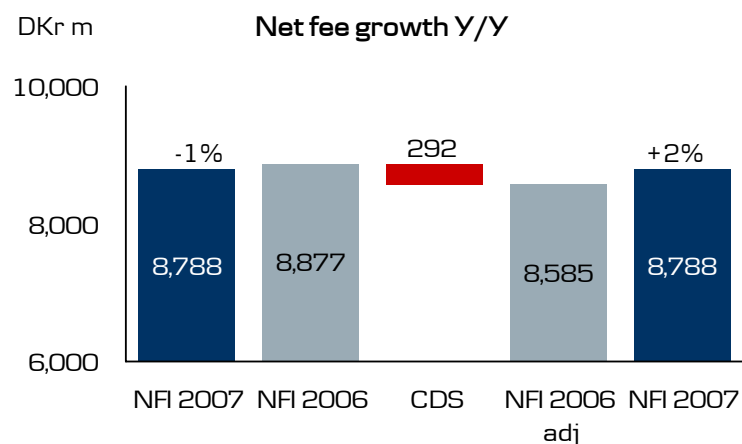
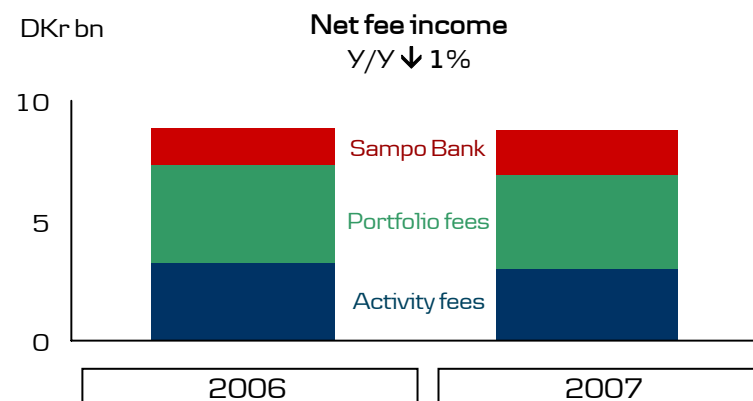


Net fee income

- High degree of stability despite financial turmoil

Net fee income ↓ 1%

- Good growth in most units outside Denmark despite market conditions
- Down 5% in BA Denmark
 - Lower investment fees due to financial turbulence
 - Refi activity lower Y/Y
- DKr 292m increase in fee expenses for CDS as part of transition to CRD

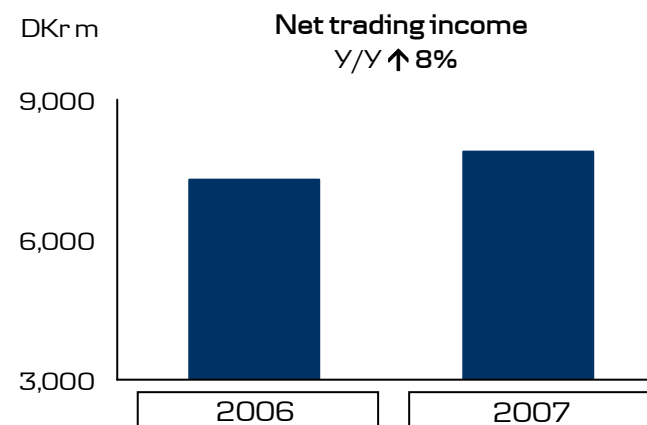


Net trading income

- Very strong and stable earnings in turbulent markets

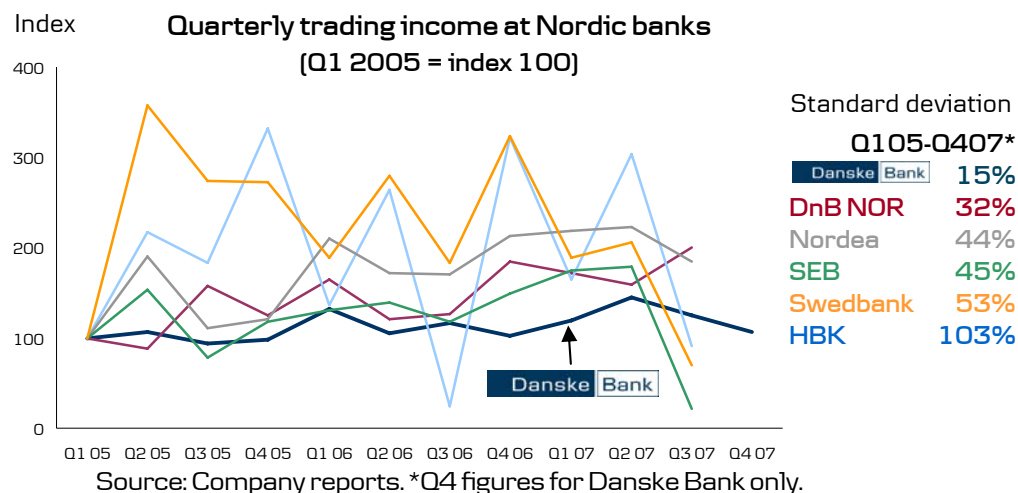
Net trading income ↑ 8%

- Result better than expected despite very difficult market conditions
- Trading activities improved 12% because of increased customer-driven activity
- Investment portfolio lower due to lower equity returns and fewer one-off gains
- Proprietary trading profit up 10%



Net trading income breakdown

DKr m	2006	2007	Index
Trading activities	3,999	4,479	112
Proprietary trading	390	429	110
Investment portfolio	1,159	638	55
Institutional banking	484	518	107
Total, Danske Markets	6,032	6,064	101
BA Denmark	675	703	104
Other trading activities	573	1,120	195
Net trading income	7,280	7,887	108

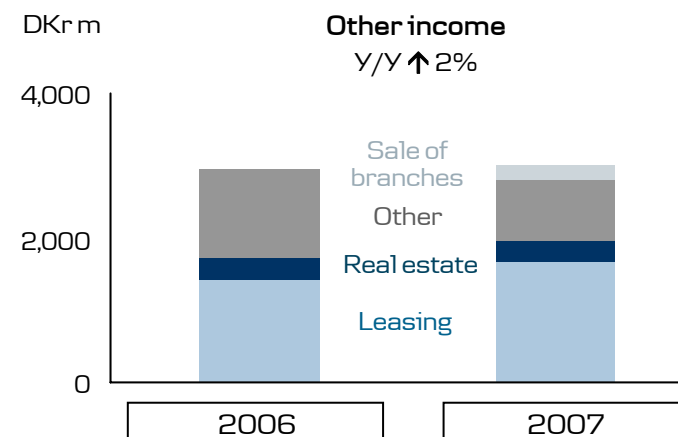


Other income and insurance

- Sale of five branches lifts other income; Danica affected by turmoil

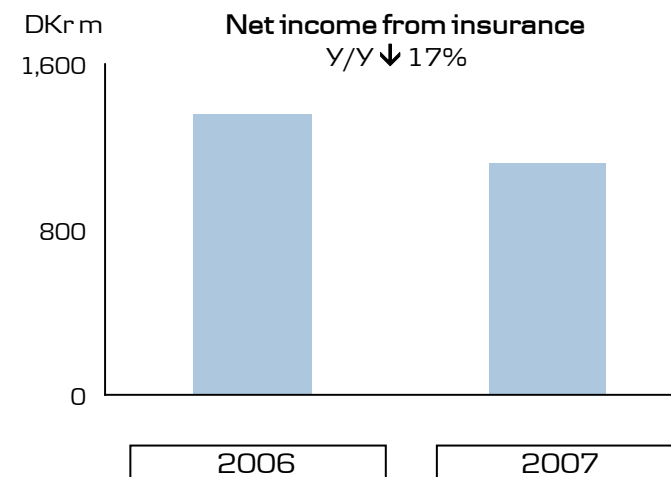
Other income ↑ 2%

- Growth owing mainly to DKr 199m gains from sale of five Norwegian branches
- Good growth in operating leasing



Net income from insurance ↓ 17%

- Lower due to equity markets and rising short-term rates
- Return on investments of 1.1% and 4.4% including reduced life provisions
- Risk allowance of DKr 1,040m booked (0.59% of technical provisions)
- Health and accident result still unsatisfactory

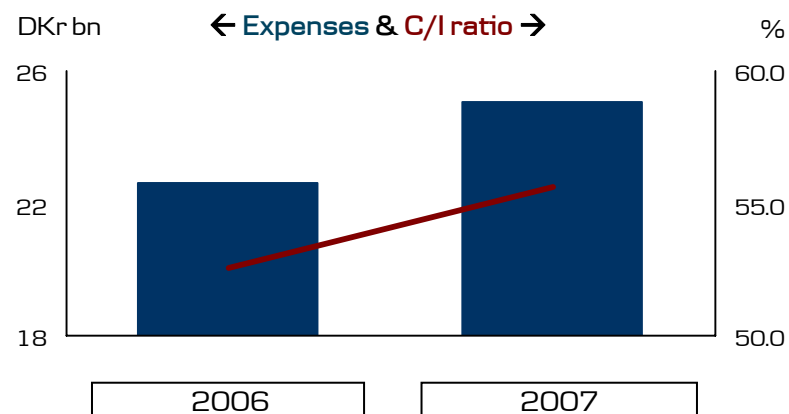


Expenses

- Increase reflects integration of banks and higher activity

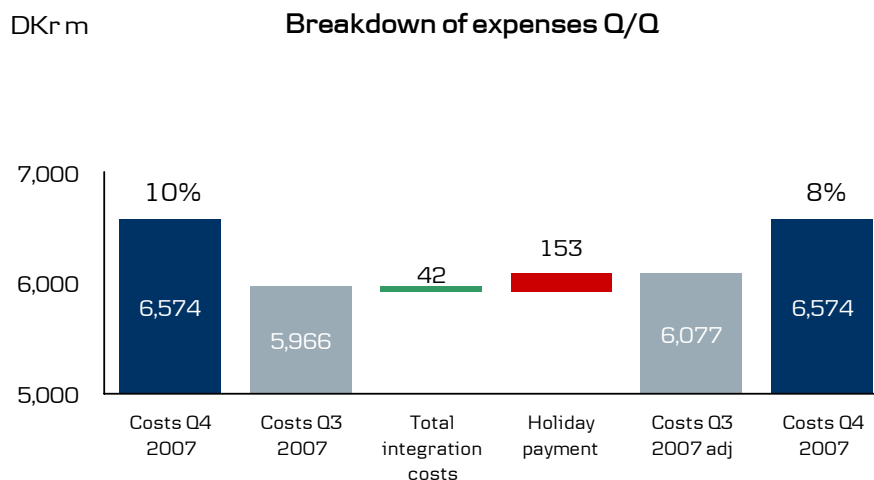
Expenses ↑ 11%

- Total integration costs:
 - Integration expenses: DKr 1,011m
 - Amortisation of intangibles: DKr 1,135m
- C/I ratio: 56%, against 53% in 2006
- C/I ratio ex total integration costs: 51%



Underlying cost base ↑ 4%

DKr m	2006	2007	Index
Expenses	22,640	25,070	111
Integration expenses	604	1,011	167
Amortisation of intangibles	561	1,135	202
Costs ex total integration	21,475	22,924	107
Bonuses	1,123	1,265	113
Operational leasing, Nordania	955	1,120	117
Real Estate - Nylander	41	80	195
Pensions Norway	-200	0	-
Capitalisation of development costs	-293	-268	-
Underlying cost base	19,849	20,728	104

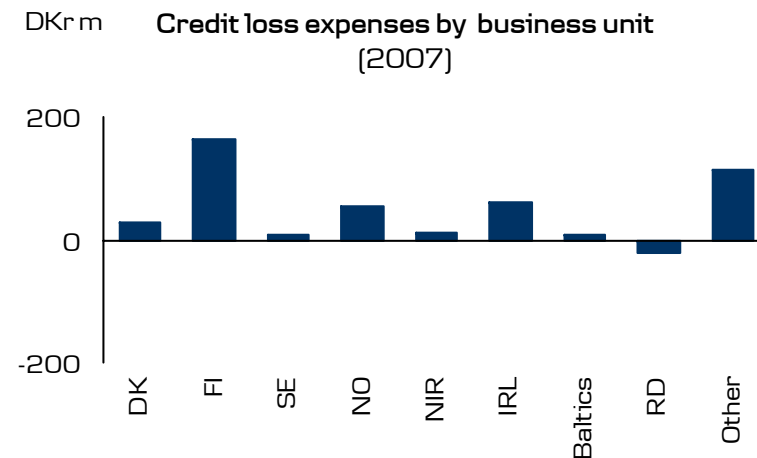
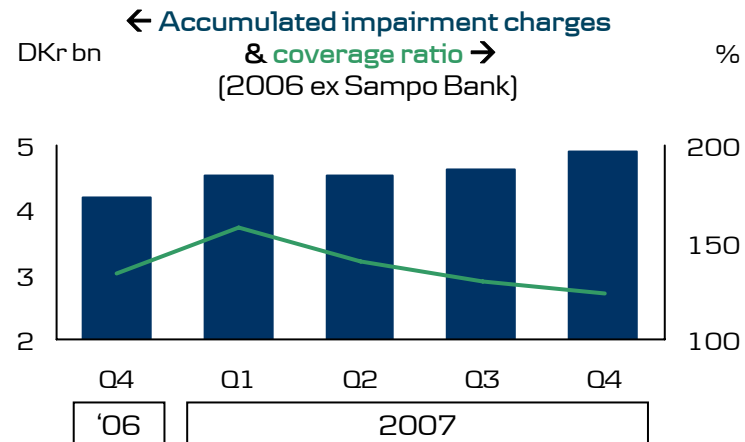
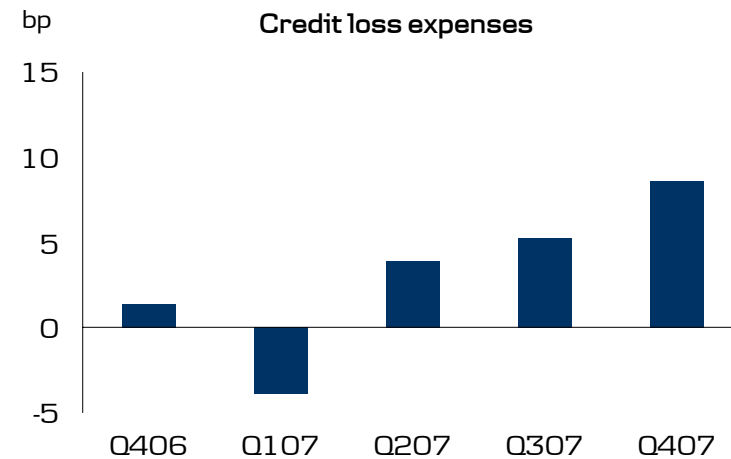


Credit loss expenses

- Credit loss expenses still below average for business cycle

Credit book remains strong

- DKr 687m in credit loss expenses due to a few individual corporate customers
- Healthy credit book
- Slowdown in global economy



Capital management

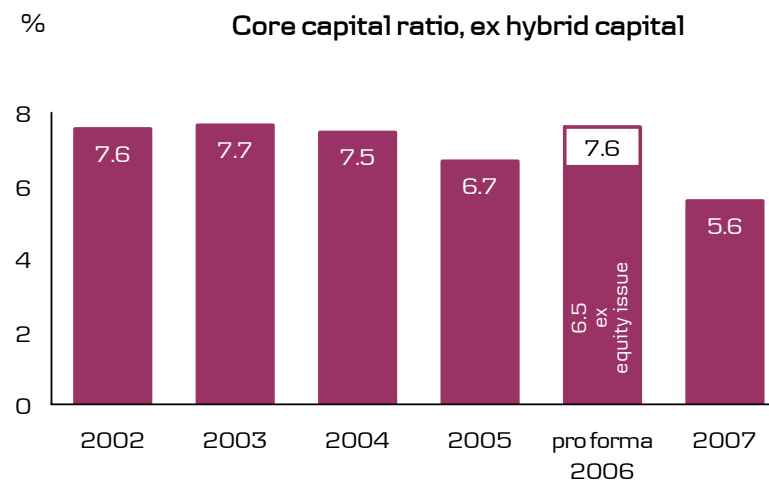
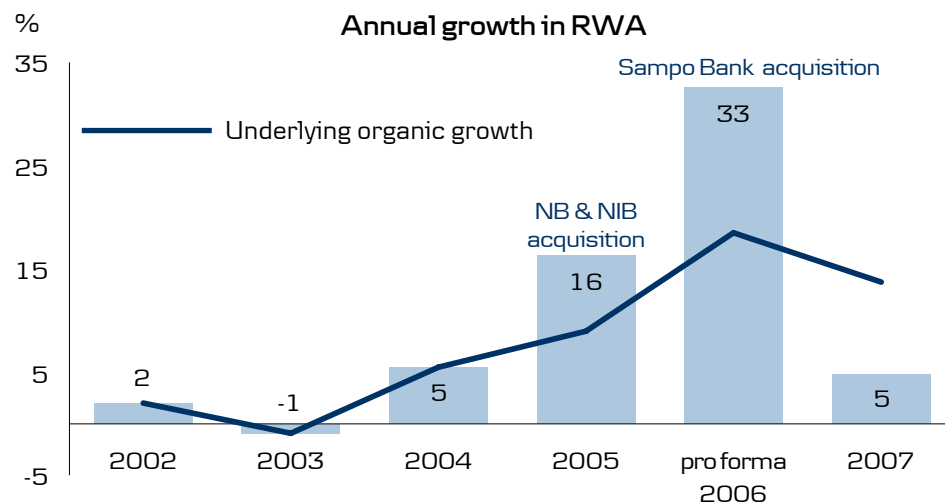
- Capital ratios within new targets; and positive impact from CRD-rules

Ratios within capital targets

- Core capital ratio ex hybrid: 5.6%
- Securitisation reduced RWA by DKr 137bn in 2007
- Underlying RWA growth of 14% Y/Y
- Transition to CRD increases capital due to low risk of loan book and diversified earnings (Pillar I + II)

Capital targets

	Current rules		CRD level
(as % of RWA)	Target	2007	Target
Core capital ex hybrid capital	5.5-6.0	5.6	8
Hybrid capital	1.0-1.5	0.8	2
Core capital	6.5-7.5	6.4	10
Supplementary capital	2.5	2.9	3
Solvency	9.0-10.0	9.3	13



Outlook for 2008

- Another satisfactory year, but more forecast uncertainty than normal

Assumptions and underlying conditions

- Weighted economic growth in DB markets of 2.5% vs. Euro-zone avg. of 2.2%
- Slightly lower interest rates
- Remortgaging at the same level as in 2007
- Lending growth below 2007
- More uncertainty than normal in guidance due to unpredictable international capital markets

DKrm	2007 *	2008 guidance
Net interest income	24,260	→ Up 6%-9%
Net fee income	8,788	→ Up 8%-13%
Net trading income	7,887	→ Slightly lower
Other income	3,010	→ Up 5%-10%
Insurance	1,118	→ Up 20%
Total income	45,063	→ Up 5%-9%
Expenses	25,070	→ Up 2%-5%
Net profit	14,870	→ Up 0%-7%

*2007 includes only 11 months of Sampo Bank.

Guidance

- NII 6%-9% higher than in 2007
- Fee income up 8%-13%
- Net trading income slightly down
- Other income 5%-10% higher on expected property sales
- Insurance income up about 20%, assuming normalised investment return
- Total income up 5%-9%
- Expenses up 2%-5%
- Tax rate 26%
- Net profit up 0%-7%

Expense forecast	Increase (%)
Expenses	2-5
Integration expenses	-1
Amortisation of intangibles	2
One month extra of Sampo Bank	-1
Investment in IT platform	-1
Trend in synergies	1
Underlying trend in expenses	2-5

Q&A session

Press 1 to ask a question
Press “#” to cancel



Press “Ask a question” in
your webcast player



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Appendix

Banking Activities Denmark

- High profitability continues

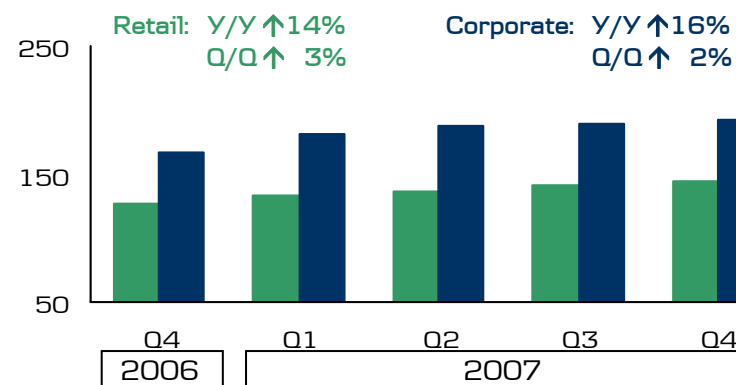
Profit before tax

- Up 2% on rise in Other income and NII, flat expenses

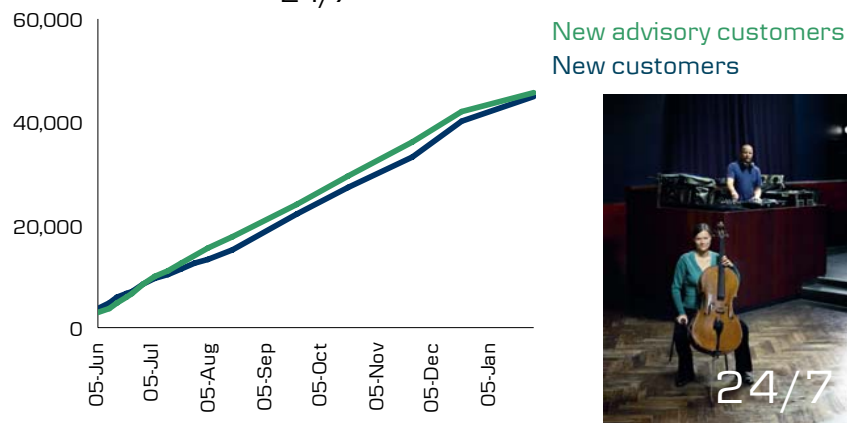
DKr m	2006	2007	Index
Net interest income	9,968	10,557	106
Net fee income	4,813	4,574	95
Other income	689	767	111
Total income	15,470	15,898	103
Total integration costs	0	204	-
Expenses ex total intgr. costs	7,869	7,978	101
Profit bef. credit loss exp.	7,601	7,716	102
Credit loss expenses	-163	-176	-
Profit before tax	7,764	7,892	102
ROE before credit loss exp.	41.2	43.7	106

DKr bn

Trend in lending volume (average)

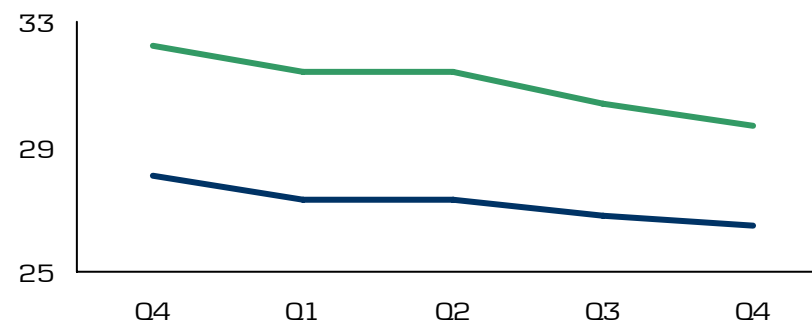


New product launches 24/7



%

Market shares



Banking Activities Finland

- Result slightly better than expected; good economic outlook

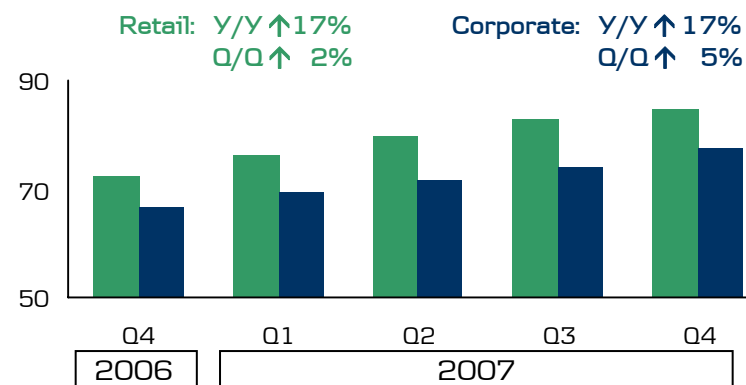
Profit before tax

- Down 2% ex total integration costs and amortisation of fair value adjustments

DKr m	2006	2007	Index
Net interest income ex FV	2,948	3,182	108
Amortisation of fair value adj.	0	-169	-
Net fee income	1,144	1,210	106
Other income	278	246	88
Total income	4,370	4,469	102
Total integration costs	0	949	-
Expenses ex total intgr. costs	2,479	2,434	98
Profit bef. credit loss exp.	1,891	1,086	57
Credit loss expenses	-77	270	-
Profit before tax	1,968	816	41
ROE before credit loss exp.	24.9	16.1	65

DKr bn

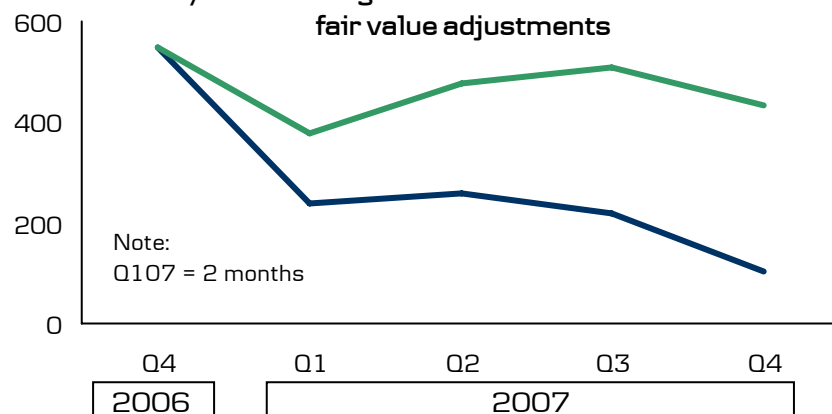
Trend in lending volume
(average)



DKr m

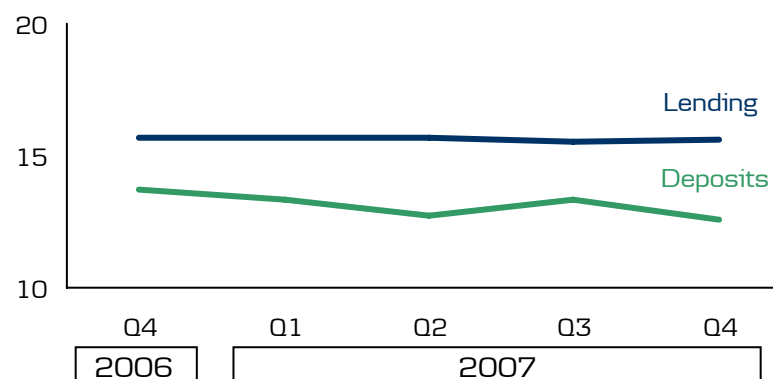
Quarterly profit before tax

Incl./ex total integration costs and amortisation of fair value adjustments



%

Market shares



Banking Activities Sweden

- High volume growth and improving profitability

Profit before tax

- Up 34% on volume growth and increasing ROE

DKr m	2006	2007	Index
Net interest income	1,812	2,113	117
Net fee income	614	656	107
Other income	118	155	131
Total income	2,544	2,924	115
Expenses	1,460	1,495	102
Profit bef. credit loss exp.	1,084	1,429	132
Credit loss expenses	71	69	97
Profit before tax	1,013	1,360	134
ROE before credit loss exp.	15.7	20.9	133

%

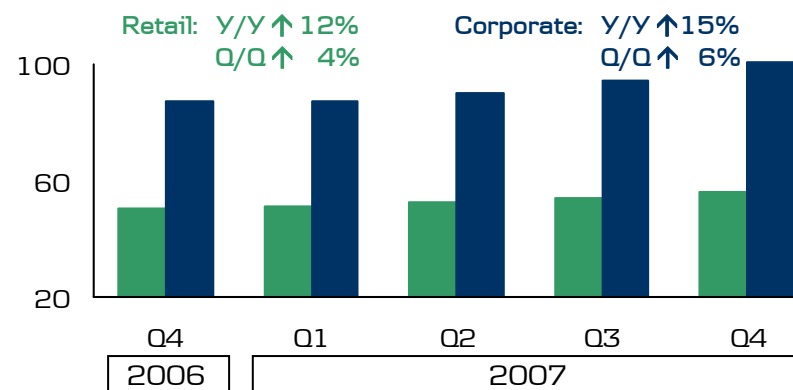
C/I ratio

- Cost efficiency continues



DKr bn

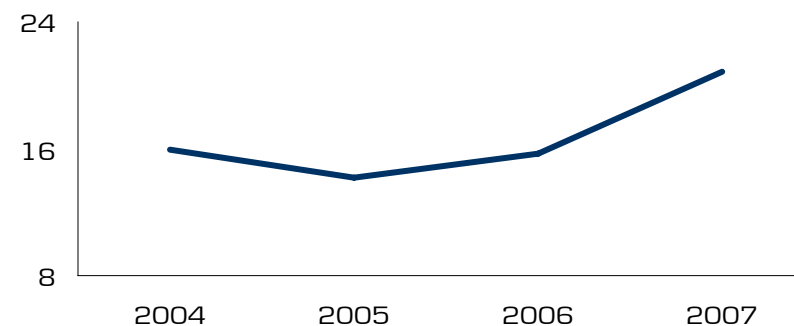
Trend in lending volume (average)



%

ROE before credit losses and tax

- Improved profitability



Banking Activities Norway

- Solid profit growth and improved profitability

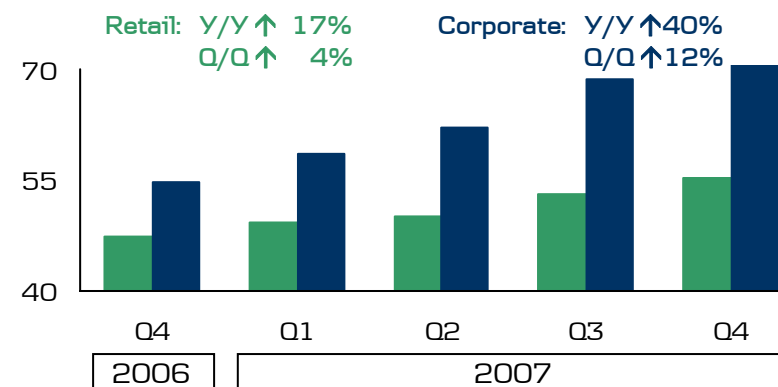
Profit before tax

- Up 28% on high volume growth; improved C/I ratio and ROE

DKr m	2006	2007	Index
Net interest income	1,567	1,887	120
Net fee income	416	461	111
Other income	423	455	108
Total income	2,406	2,803	117
Expenses	1,552	1,618	104
Profit bef. credit loss exp.	854	1,185	139
Credit loss expenses	-31	53	-
Profit before tax	885	1,132	128
ROE before credit loss exp.	17.1	22.0	129

DKr bn

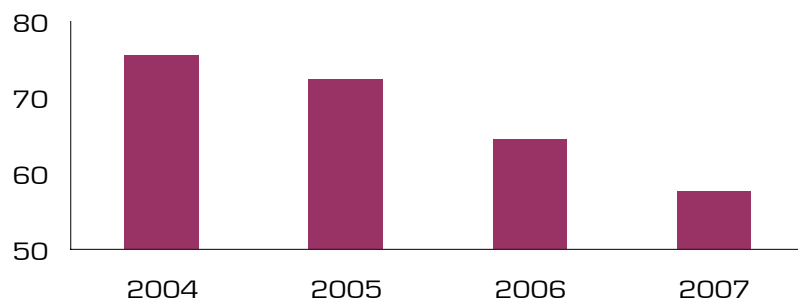
Trend in lending volume (average)



%

C/I ratio

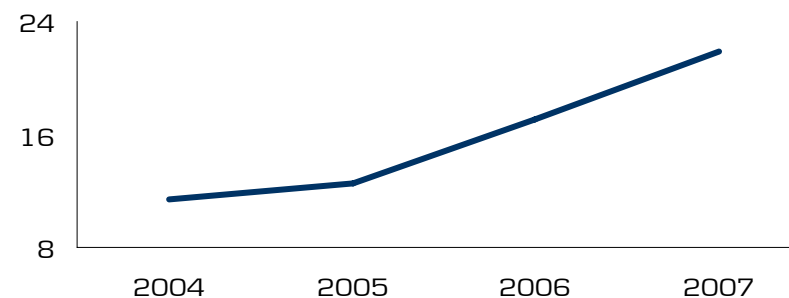
- Cost efficiency continues



%

ROE before credit losses and tax

- Improved profitability



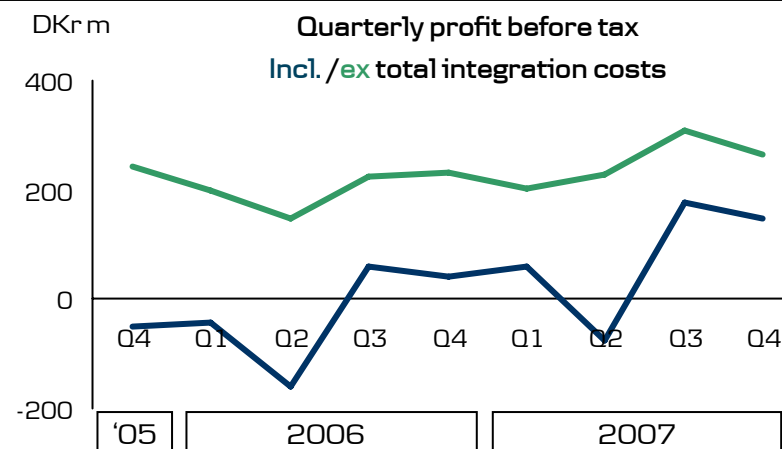
Banking Activities Northern Ireland

- Synergy target achieved; improved C/I ratio

Profit before tax

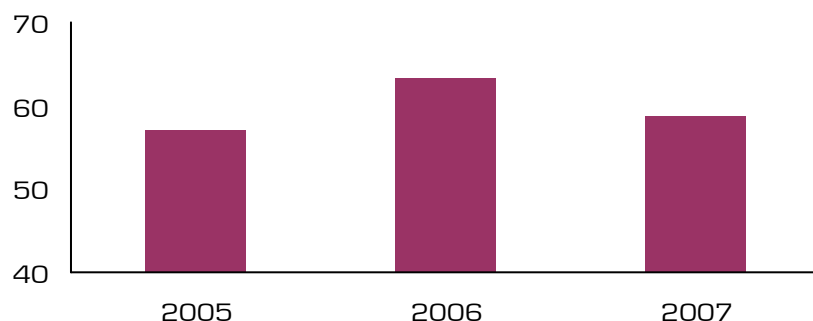
- Up DKr 411 m on both lending and deposit volume growth; expenses ex total integration costs down 3%

DKr m	2006	2007	Index
Net interest income	1,702	1,831	108
Net fee income	485	491	101
Other income	106	124	117
Total income	2,293	2,446	107
Total integration costs	904	697	77
Expenses ex total integr. costs	1,449	1,411	97
Profit bef. credit loss exp.	-60	338	-
Credit loss expenses	44	31	70
Profit before tax	-104	307	-
ROE before credit loss exp.	-2.4	13.6	-



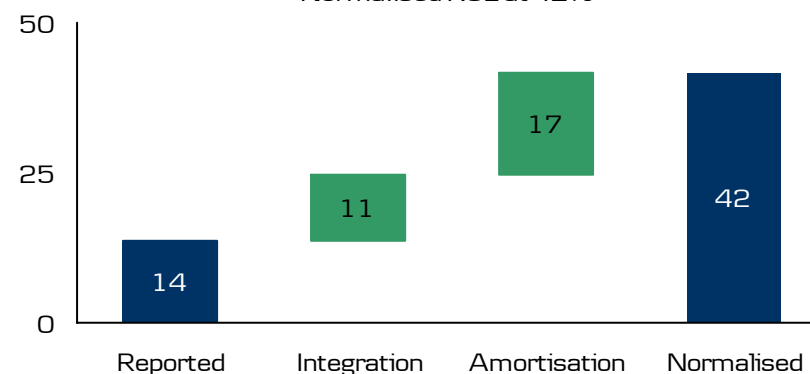
% C/I ratio ex total integration costs

- Cost efficiency materialises



% ROE before credit losses and taxes

- Normalised ROE at 42%



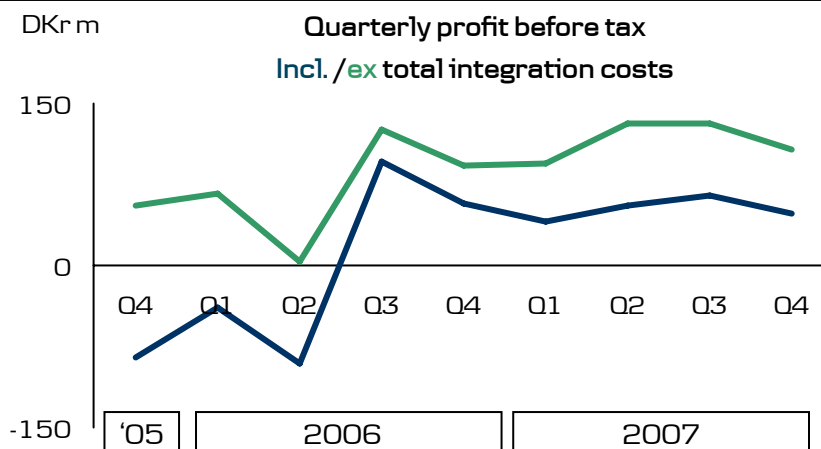
Banking Activities Ireland

- High growth begins to pay off; improved C/I ratio

Profit before tax

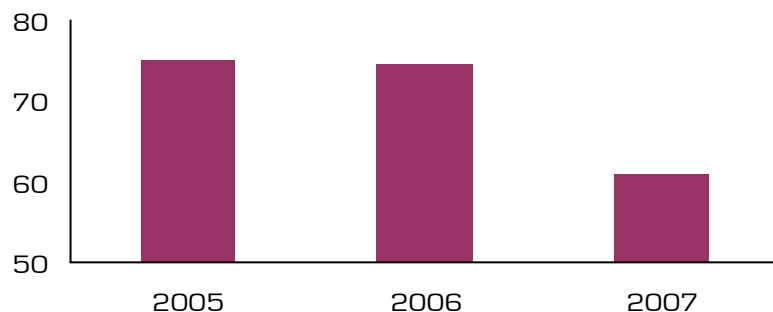
- Up DKr 182m, with lending growth at 36% Y/Y

DKr m	2006	2007	Index
Net interest income	918	1,194	130
Net fee income	133	182	137
Other income	67	79	118
Total income	1,118	1,455	130
Total integration costs	261	257	98
Expenses ex total intgr. costs	834	873	105
Profit bef. credit loss exp.	23	325	-
Credit loss expenses	-3	117	-
Profit before tax	26	208	-
ROE before credit loss exp.	-2.1	10.7	-



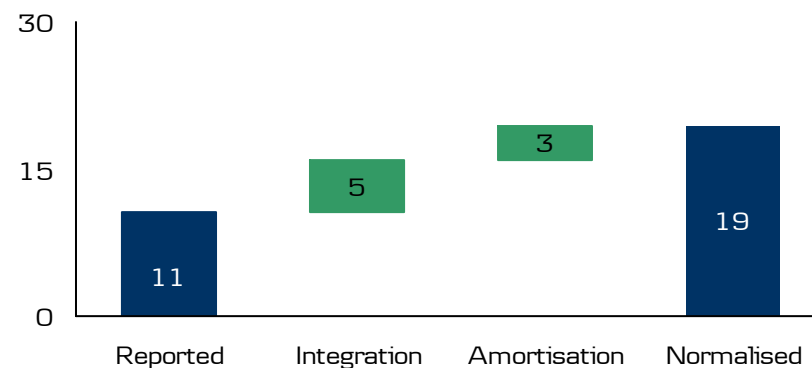
% C/I ratio ex total integration costs

- Cost efficiency materialises



% ROE before credit losses and taxes

- Normalised ROE at 19%



Banking Activities Baltics

- Strong lending growth and improved profitability

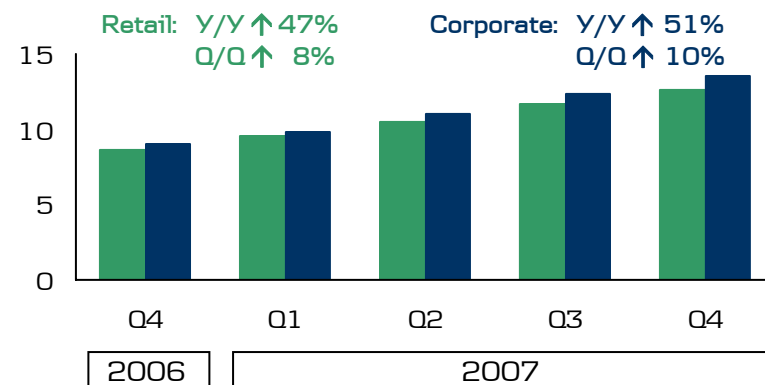
Profit before tax

- Up 56% owing to strong lending growth

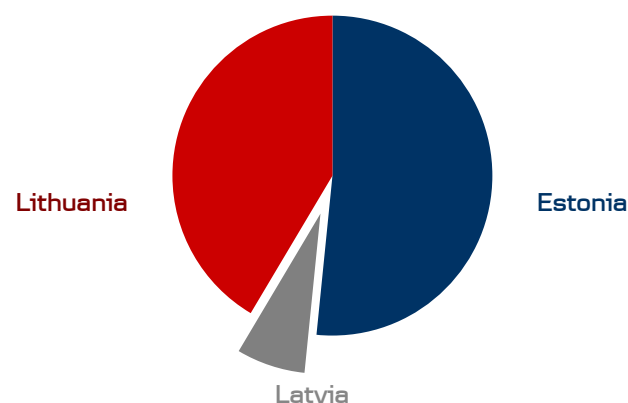
DKrm	2006	2007	Index
Net interest income	324	573	177
Net fee income	84	132	157
Other income	131	81	62
Total income	539	786	146
Expenses	329	426	129
Profit bef. credit loss exp.	210	360	171
Credit loss expenses	14	54	-
Profit before tax	196	306	156
ROE before credit loss exp.	24.0	32.1	134

DKr bn

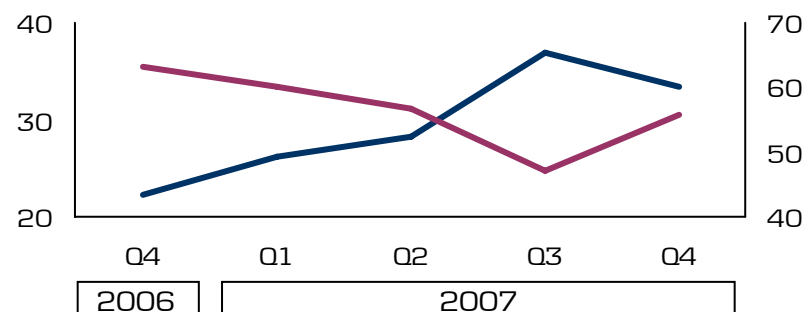
Trend in lending volume (average)



Breakdown of lending (end of period) - Total: DKr 26.9bn



% ← ROE before credit losses & C/I ratio → %



Mortgage Finance

- Earnings growth despite slowing market

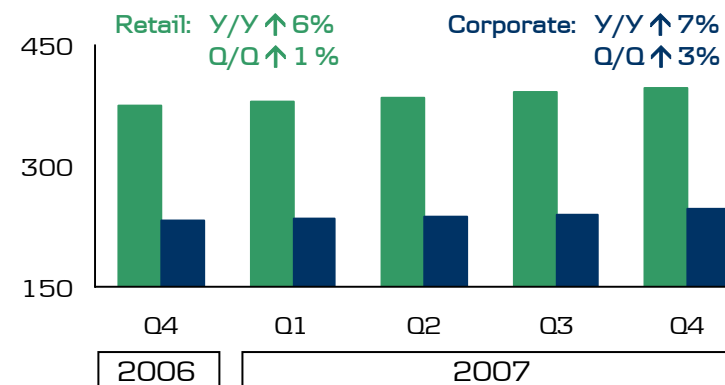
Profit before tax

- Up 4%; income up whilst expenses unchanged

DKr m	2006	2007	Index
Net interest income	3,621	3,913	108
Net fee income	-234	-340	-
Other income	394	415	105
Total income	3,781	3,988	105
Expenses	1,176	1,192	101
Profit bef. credit loss exp.	2,605	2,796	107
Credit loss expenses	-105	-10	-
Profit before tax	2,710	2,806	104
ROE before credit loss exp.	14.0	16.6	119

DKr bn

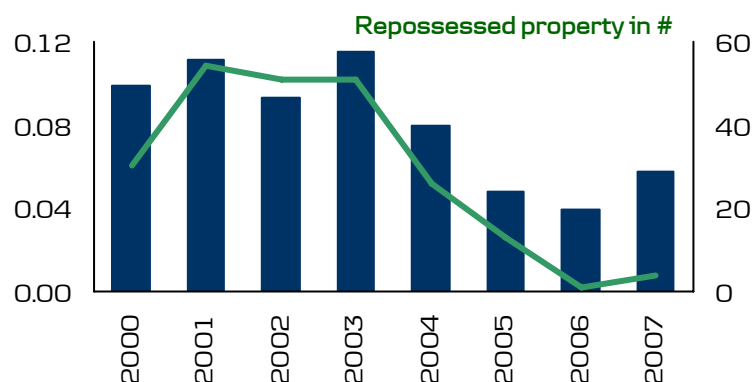
Trend in lending volume (nominal value, average)



bp

Arrears as % of total clients, end period

← Arrears and possession of property →



DKr bn

Gross lending, nominal ← volume and market share →



Danske Markets

- Better than expected earnings despite extreme market conditions

Profit before tax

- Down 12%, better than expected given market conditions

DKr m	2006	2007	Index
Total income	6,032	6,064	101
Expenses	2,195	2,630	120
Profit bef. credit loss exp.	3,837	3,434	89
Credit loss expenses	-54	15	-
Profit before tax	3,891	3,419	88
ROE before credit loss exp.	50.2	44.0	88

Distribution of income

- Up 1 %, reflecting demand for our products

DKr m	2006	2007	Index
Trading activities	3,999	4,479	112
Proprietary trading	390	429	110
Investment portfolio	1,159	638	55
Institutional banking	484	518	107
Total, Danske Markets	6,032	6,064	101

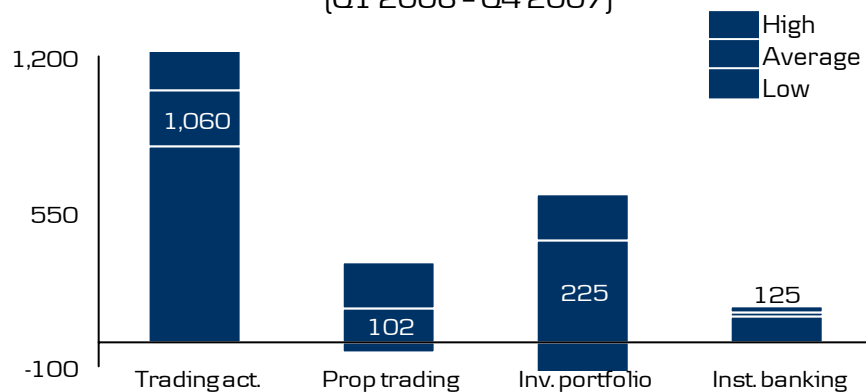
Days

Distribution of daily P&L
(1/10/2006 - 31/12/2007)



DKr m

Average quarterly income
(Q1 2006 - Q4 2007)



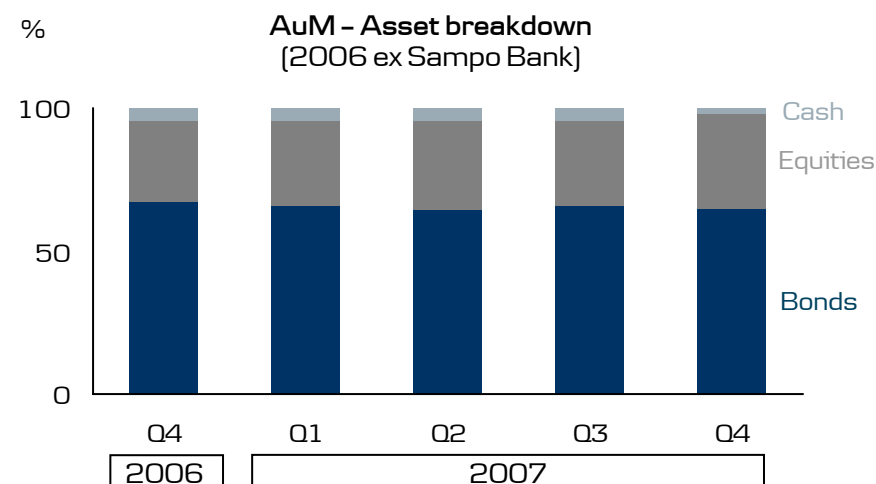
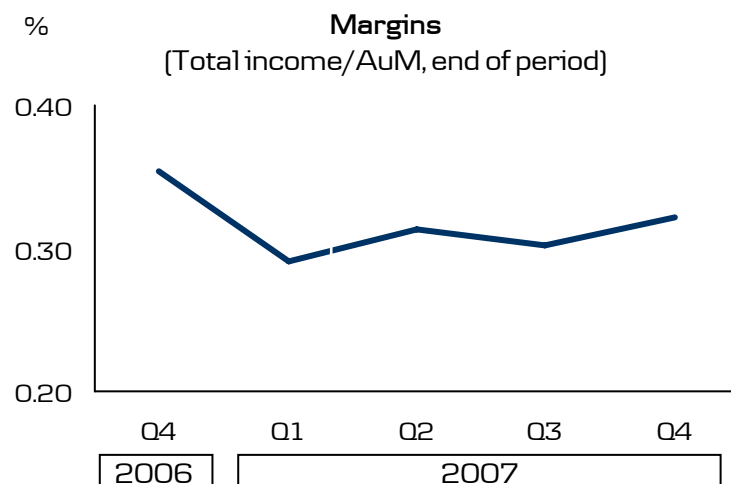
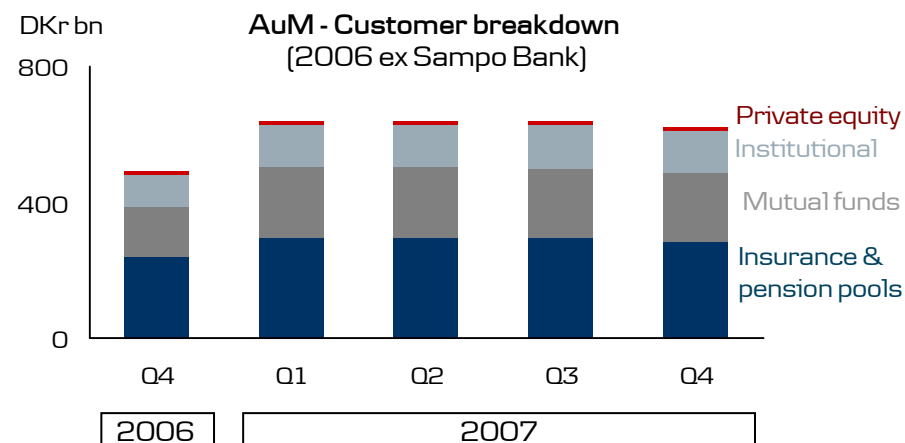
Danske Capital

- Growth in profit before credit loss expenses

Profit before tax

- Down 13%, or 10% ex amortisations

DKrm	2006	2007	Index
Total income	1,800	1,961	109
Expenses	759	898	118
Profit bef. credit loss exp.	1,041	1,063	102
Credit loss expenses	-178	-2	-
Profit before tax	1,219	1,065	87

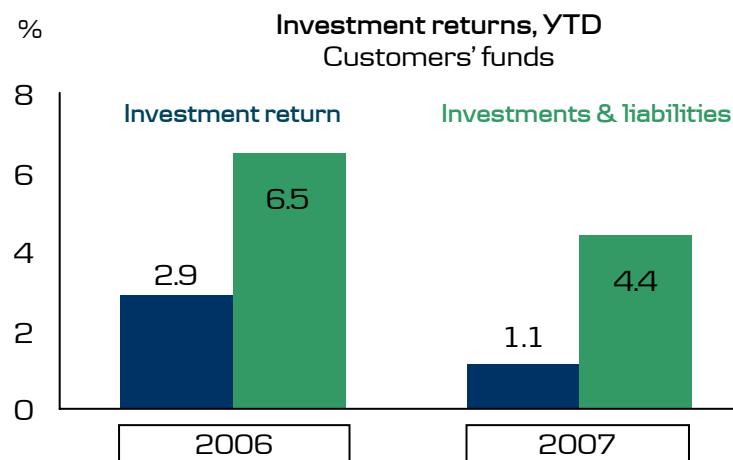


Danica Pension

- Underlying profit up; Health and Accident slowly improving

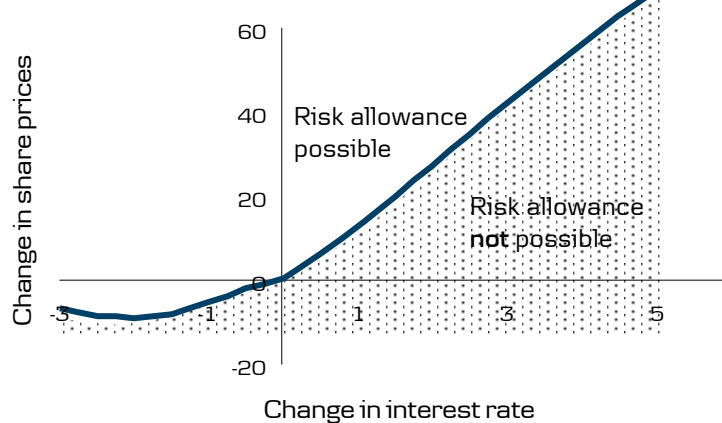
Net income from insurance business

DKr m	2006	2,007	Index
Premiums (DKr bn)	18.2	18.9	104
Share of technical provisions etc.	1,037	1,040	100
Health and accident (insurance result)	-101	-112	-
Insurance result on unit-linked etc.	-53	6	-
Investment result	772	710	92
Financing result	-300	-526	-
Net income before risk allowance	1,355	1,118	83
Postponed risk allowance	0	0	-
Net income from insurance business	1,355	1,118	83
Net income as % p.a. of allocated cap.	18.5	22.9	124



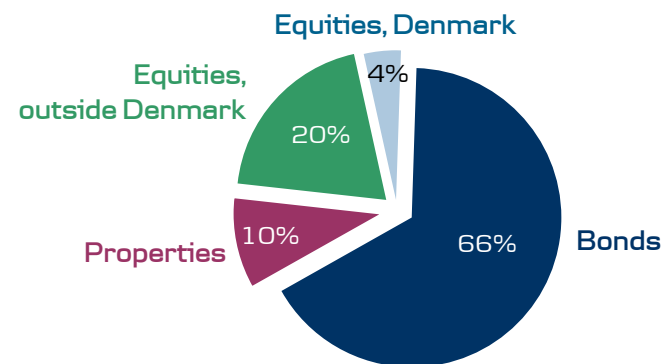
Possibility of booking full risk allowance

Base: end-Q4 2007



Asset allocation

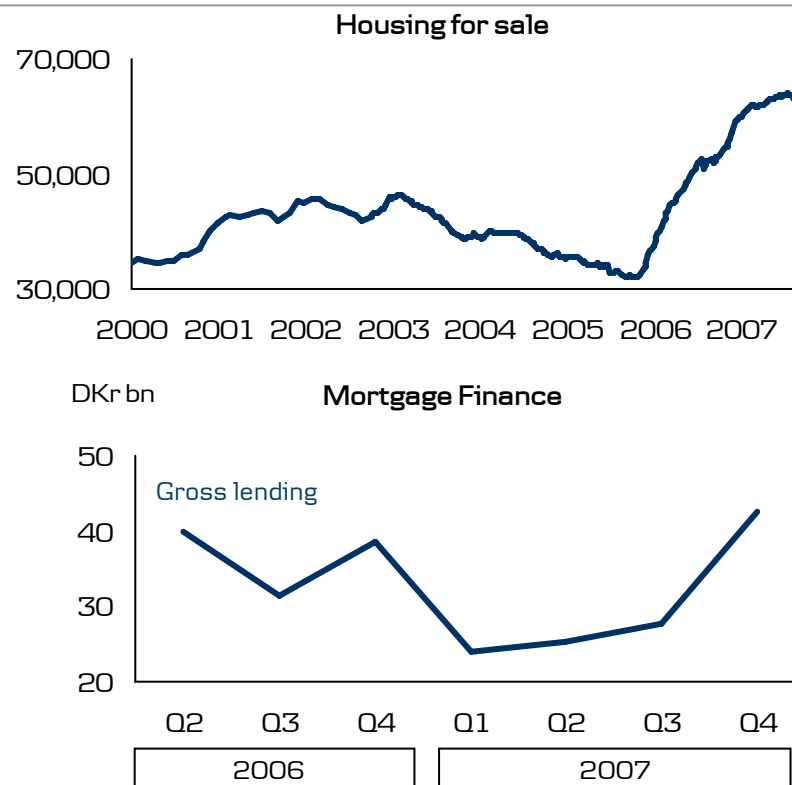
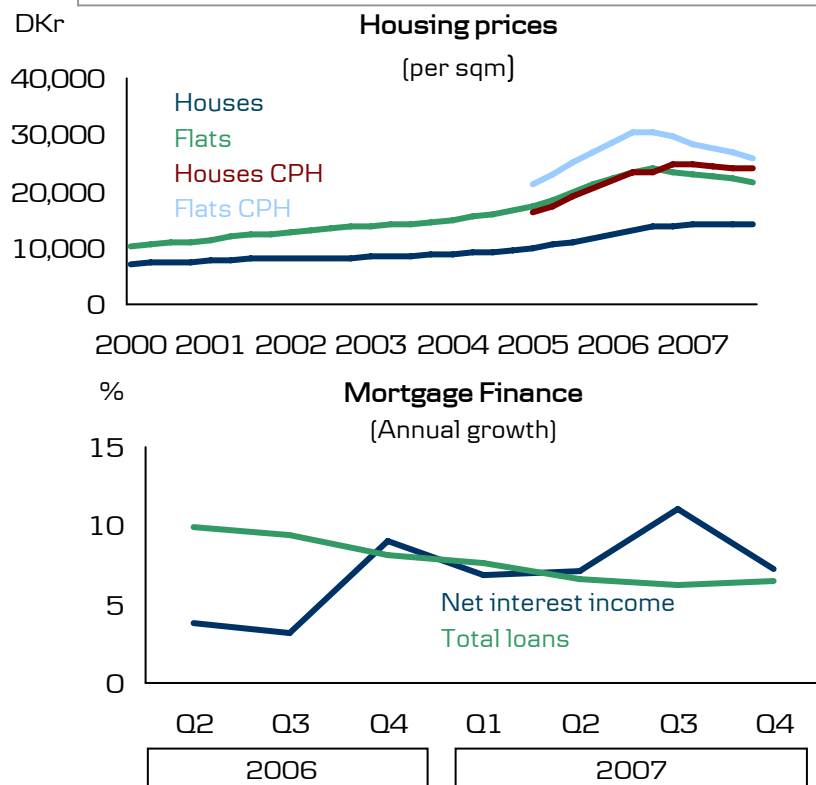
Customers' funds



Danish housing market slowing down

- but already embedded in our net profit

- House prices up 2.2% Y/Y, down 0.5% Q/Q
- Flats down 9.1% Y/Y, 4.4% Q/Q
- House sales down 33% from peak (Q3 05)
- Flat sales down 54% from peak (Q3 05)
- Outlook according to Danske Research:
 - Flat to slightly declining prices



Source: Danske Research and Realkreditraadet