

To the editor

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Net profit of DKK 1.9 billion (EUR 256 million) for the first half of 2011

Danske Bank today announced its financial results for the first half of 2011. The interim report is available at www.danskebank.com. Highlights are shown below:

- The Danske Bank Group posted a profit before tax of DKK 3.6 billion (EUR 480 million) for the first half of 2011, up 14% from the first half of 2010. The net profit was DKK 1.9 billion (EUR 256 million). Overall, the results were in line with expectations.
- Total income was DKK 23.2 billion (EUR 3,111 million), down 4% from the level in the first half of 2010.
- Expenses rose 6% above the level in the first half of 2010. The estimated commitment to the Danish Guarantee Fund for Depositors and Investors to cover losses on Amagerbanken A/S's and Fjordbank Mors A/S's bankruptcies is included in the expenses.
- Loan impairment charges totalled DKK 5.6 billion (EUR 750 million), a fall of 28% from the first half of 2010, as conditions in most of the Group's markets improved. Lower loan impairment charges at Retail Banking Denmark and Banking Activities Baltics accounted for most of the fall. The difficult market conditions in Ireland and Northern Ireland persisted.
- Charges against facilities to personal customers amounted to DKK 0.6 billion (EUR 77 million) and charges against facilities to business customers to DKK 5.2 billion (EUR 701 million), with small and medium-sized enterprises accounting for DKK 3.7 billion (EUR 493 million), while charges against facilities to financial counterparties saw a net reversal of DKK 0.2 billion (EUR 28 million).
- Lending and deposits matched the levels at the end of 2010. In Denmark, new lending, excluding repo loans, totalled DKK 20.9 billion (EUR 2,802 million), with business customers and personal customers accounting for DKK 11.2 billion (EUR 1,502 million) and DKK 9.7 billion (EUR 1,300 million), respectively. Net new mortgage lending accounted for DKK 2.7 billion (EUR 362 million) of new lending to personal customers.
- In April 2011, the Group strengthened its capital position through a share offering with pre-emption rights for existing shareholders. The net proceeds were DKK 19.8 billion (EUR 2,650 million). The issue lifted the Danske Bank Group's core tier 1 capital ratio by about 2.3 percentage points, raising the Group's tier 1 capital and total capital ratios to 16.6% and 18.8%, respectively, at 30 June 2011, against 14.8% and 17.7% at the end of 2010.

- The European Banking Authority (EBA) included Danske Bank in the group of 90 European banks covered by the 2011 EU-wide stress testing exercise. Danske Bank was ranked sixth in the test, confirming the Group's financial strength.
- In the first half of 2011, the Group issued covered bonds and senior debt for a total of DKK 42.3 billion (EUR 5,670 million). The Group had good access to funding in the first half-year through issues on the financial markets.
- The global economic recovery is expected to continue in the second half of 2011, but with only moderate growth rates in the Western world. Structural challenges in the economies of southern Europe and Ireland and a heavy budget deficit in the US are still constraining economic growth and affecting the stability of the financial markets.

“Banking Activities still show robust earnings,” says Peter Straarup, Chairman of the Executive Board. “We have achieved positive results in all our markets, except the two Irish ones. The result of the Danish banking unit is particularly encouraging. Overall, the Group's loan impairment charges are down 28% from the first half of 2010, and we expect impairment charges to continue to decline. Charges at most business units are now at or lower than normal levels. Charges at Retail Banking Denmark are approaching normal levels, while they remain high at the Irish and Northern Ireland banking units.”

Danske Bank

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Tuesday, 9 August 2011, from 11.00am CET:

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The interim report for the first half of 2011 will be presented at a **press conference** at 11.00am CET. The press conference will be webcast live at www.danskebank.com.

Danske Bank will hold a **conference call** at 2.30pm CET. The conference call will be webcast live at www.danskebank.com.

Danske Bank's financial statements are available online at www.danskebank.com/onlinefinancialstatements.