FINANCIAL RESULTS 2011

Danske Bank

DANSKE BANK GROUP

15 countries
645 branches
21,320 employees
5,000,000 customers

DENMARK
DANSKE BANK
DANICA PENSION
REALKREDIT DANMARK
NORDANIA LEASING
DANSKE CAPITAL
DANSKE MARKETS

IRELAND
NATIONAL IRISH BANK

NORTHERN IRELAND
NORTHERN BANK

ENGLAND
DANSKE BANK LONDON

SWEDEN
DANSKE BANK

NORWAY
FOKUS BANK

FINLAND
SAMPO PANKKI

GERMANY
DANSKE BANK HAMBURG

ESTONIA
SAMPO PANK

LATVIA
DANSKE BANKA

LITHUANIA
DANSKE BANKAS

RUSSIA
DANSKE BANK
ST. PETERSBURG

POLAND
DANSKE BANK WARSAW

LUXEMBOURG
DANSKE BANK
INTERNATIONAL

Financial results 2011 is a translation of the original document in the Danish language (*Årsregnskabsmeddelelse 2011*). In case of discrepancies, the Danish version prevails.

FINANCIAL RESULTS 2011

CONTENTS

EXECUTIVE STATEMENT

When 2011 began, we hoped that the financial crisis was receding and that macroeconomic fundamentals would lead to a gradually improving business environment.

As it turned out, 2011 was yet another year of mounting challenges for the financial sector and our customers.

The public budget deficits and weak economies of a number of Western countries caused considerable turbulence in the capital markets, and several euro-zone countries needed massive bailout packages. A number of EU countries announced and implemented fiscal tightening, and growth rates fell in our key markets.

In April 2011, the Group strengthened its capital position markedly through a share offering with pre-emption rights for existing shareholders. The net proceeds amounted to almost DKK 20 billion. With the extra capital, Danske Bank was in a position to repay, as early as in 2012, the hybrid capital raised in 2009 from the Danish state. An agreement with the state on prepayment terms that would be financially satisfactory for Danske Bank could not be reached, however, and we decided not to prepay the loan.

In December, the European Banking Authority (EBA) tested the capital strength of Danske Bank and 70 other European banks. The test assessed the banks' need for recapitalisation. As expected, Danske Bank passed the test with a capital level substantially above the EBA's requirement.

Banks' access to funding suffered from the unrest in the capital markets. Funding costs rose, and issuance opportunities became fewer. These conditions had a pronounced effect in Denmark, as non-viable banks were liquidated under the rules of Bank Package 3, causing losses for senior debt holders. Danske Bank was downgraded twice, mainly because the rating agencies felt that Bank Package 3 implicitly weakened systemic support. The adoption of Bank Package 4 in late summer and the prospect that systemically important financial institutions would be designated in Denmark took some of the pressure off the banks. The market for senior debt generally closed down in mid-2011, while the covered bond market was periodically accessible. Although the difficult funding situation affected the Group, we carried out planned issues successfully.

Earnings, on the other hand, suffered from the economic and capital market woes and were unsatisfactory in view of the Group's business platform and potential. We have therefore launched initiatives to improve earnings and ensure that our business model is competitive and creates value even in times of low economic growth and high capital and funding costs.

Key elements of this work are product repricing and a stronger focus on good, efficient service to selected customer segments through the right channels.

In addition, the Group adopted a new three-year cost-savings programme. It focuses on improving both customer service and operating efficiency. The cost reductions are supported by customers' use of the Group's new self-service products, such as mobile banking, for an increasing number of banking transactions.

These initiatives will gradually reduce the need for staff resources. We expect that a substantial number of reductions can be made without redundancies if staff turnover, including retirements, is unchanged.

Being a universal Nordic bank, the Group remains dedicated to strengthening advisory tools and solutions for large corporate customers in the Nordic region. We also aim to become the market leader in the business segment by virtue of our increasingly advanced product range.

The Group continues to invest heavily in digital product innovation, focusing on usability and increased accessibility, in particular for personal customers. The mobile banking application for smartphones was developed further in 2011, and a tablet banking solution was introduced towards the end of the year. Customers like the products, and these technology initiatives enable us to support the changes in customer behaviour.

We believe that the Group has the right foundation to improve its earnings. The capital and liquidity positions are satisfactory, our technology is market-leading, employee satisfaction is above the sector average, and customer satisfaction is rising. On the basis of our strong market position in the Nordic countries, we will continue to focus on serving existing customers as well as possible.

Our various initiatives are intended to lift the return on equity considerably over a three-year period. Our ambition is gradually to achieve a competitive return that, as a minimum, matches the Group's cost of capital.

Once again in 2011, our staff made a substantial, proficient and invaluable contribution for which we are very grateful.

Management changes

After 43 years with the Group – 25 on the Executive Board and 14 as CEO – Peter Straarup is retiring. The Board of Directors has appointed Eivind Kolding as chief executive officer effective 15 February 2012. Peter Straarup will retire at the same time.

Consequently, on 19 December 2011, Eivind Kolding resigned as Chairman of the Board of Directors and from the three board committees on which he served. The former Vice Chairman of the Board of Directors, Ole Andersen, succeeds Eivind Kolding as Chairman. Niels B. Christiansen has been elected Vice Chairman.

Eivind Kolding continues as member of Danske Bank's Board of Directors until he assumes the position of CEO.

Ole Andersen Chairman of the Board of Directors	Peter Straarup Chief Executive Officer

FINANCIAL HIGHLIGHTS

INCOME STATEMENT (DKK millions)	2011	2010	Index 11/10	2009	2008	2007
Net interest income	23,537	23,843	99	27,524	27,005	24,391
Net fee income	8,298	8,699	95	7,678	8,110	9,166
Net trading income	7,325	7,707	95	18,244	6,076	7,378
Other income	3,648	3,882	94	3,083	3,585	3,010
Net income from insurance business	569	2,146	27	2,810	-1,733	1,118
Total income	43,377	46,277	94	59,339	43,043	45,063
Expenses	25,987	26,010	100	28,907	28,726	25,070
Profit before loan impairment charges	17,390	20,267	86	30,432	14,317	19,993
Loan impairment charges	13,185	13,817	95	25,677	12,088	687
Profit before tax	4,205	6,450	65	4,755	2,229	19,306
Tax	2,482	2,786	89	3,042	1,193	4,436
Net profit for the year	1,723	3,664	47	1,713	1,036	14,870
Attributable to non-controlling interests	11	3	-	-14	25	57

BALANCE SHEET (END OF YEAR) (DKK millions)						
Due from credit institutions and central banks	74,041	89,619	83	109,236	79,795	128,242
Repo loans	256,027	306,962	83	239,183	369,999	504,940
Loans and advances	1,698,025	1,679,965	101	1,669,552	1,785,323	1,700,999
Trading portfolio assets	909,755	641,993	142	620,052	860,788	652,137
Investment securities	109,264	118,556	92	118,979	140,793	37,651
Assets under insurance contracts	230,668	217,515	106	196,944	181,259	190,223
Other assets	146,623	159,276	92	144,531	126,017	135,338
Total assets	3,424,403	3,213,886	107	3,098,477	3,543,974	3,349,530
Due to credit institutions and central banks	177,592	175,825	101	184,653	434,334	522,750
Repo deposits	269,515	202,603	133	182,164	202,785	280,326
Deposits	795,275	800,613	99	803,932	800,297	798,274
Bonds issued by Realkredit Danmark	557,699	555,486	100	517,055	479,534	518,693
Other issued bonds	366,920	450,219	81	514,601	526,606	402,391
Trading portfolio liabilities	697,913	478,386	146	380,567	623,290	331,547
Liabilities under insurance contracts	248,966	238,132	105	223,876	210,988	213,419
Other liabilities	117,340	130,544	90	110,968	110,033	118,750
Subordinated debt	67,328	77,336	87	80,002	57,860	59,025
Shareholders' equity	125,855	104,742	120	100,659	98,247	104,355
Total liabilities and equity	3,424,403	3,213,886	107	3,098,477	3,543,974	3,349,530

RATIOS AND KEY FIGURES						
Earnings per share (DKK)	1.9	4.9		2.3	1.4	20.0
Diluted earnings per share (DKK)	1.9	4.9		2.3	1.4	20.0
Return on average shareholders' equity (%)	1.4	3.6		1.7	1.0	15.1
Cost/income ratio (%)	59.9	56.2		48.7	66.7	55.6
Total capital ratio (%)	17.9	17.7		17.8	13.0	9.3
Tier 1 capital ratio (%)	16.0	14.8		14.1	9.2	6.4
Share price (end of year) (DKK)	73.0	132.3		109.2	48.1	184.8
Book value per share (DKK)	135.7	140.0		134.8	131.7	141.0
Full-time-equivalent staff (end of year)	21,320	21,522		22,093	23,624	23,632

Share ratios have been divided by a factor of 1.0807 to reflect the share capital increase in April 2011.
Figures for 2007 include the Sampo Bank group as of February. As of 2008, the total capital and tier 1 capital ratios are calculated in accordance with the Capital Requirements Directive.

OVERVIEW

The year 2011

In 2011, the Danske Bank Group posted a pre-tax profit of DKK 4.2 billion. The net profit was DKK 1.7 billion. The result was unsatisfactory and lower than expected because of the considerable financial turbulence and economic downturn in the second half of the year.

- Total income was DKK 43.4 billion, down 6% from the level in 2010.
  - Net interest income largely matched the year-earlier level, but rose in the latter part of the year after the Group raised lending rates.
  - Net trading income was satisfactory in the first half of 2011 but suffered from the global financial turmoil in the second half.
  - The results of the Group's insurance business fell, mainly because the booking of part of the risk allowance to income was postponed and the investment return declined.
- Expenses remained at the year-earlier level.
- Loan impairment charges amounted to DKK 13.2 billion, down 5% from the level in 2010. The Danish activities posted larger-than-expected charges, and the difficult market conditions persisted in Ireland and Northern Ireland.
- 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. The issue lifted the Group's core tier 1 capital ratio by about 2.2 percentage points (calculated at 31 December 2011).
  - Danske Bank and the Danish government could not agree on terms for a prepayment of the state hybrid capital that were financially acceptable to Danske Bank. Under the loan agreement, the loan can thus be repaid in 2014 at the earliest.
- At 31 December 2011, the tier 1 capital and total capital ratios were solid at 16.0% and 17.9%, respectively, against 14.8% and 17.7% at the end of 2010. The core tier 1 capital ratio was 11.8%, against 10.1% at the end of 2010.
  - At the end of the year, risk-weighted assets amounted to DKK 906 billion, against DKK 844 billion at 31 December 2010, with the increase owing partly to a recalibration of the Group's risk models.
- In 2011, the Group issued covered bonds and senior debt for a total of DKK 59.1 billion.
  - In the second half of the year, banks' access to long-term funding generally became extremely limited. Nonetheless, the Group successfully carried out issues planned for 2011.
- The Group has launched initiatives to improve earnings and ensure that its business model is competitive and creates value.
- The Board of Directors is recommending that no dividend be paid for 2011.

Fourth quarter 2011

The Group posted a pre-tax profit of DKK 0.6 billion in the fourth quarter of 2011. Another quarterly rise in net interest income and rising net trading and insurance business income more than offset higher impairment charges.

- Higher lending rates drove the positive trend in net interest income.
- Loan impairment charges rose to DKK 4.8 billion mainly because of adverse trends in agriculture and shipping.

Outlook for 2012

The uncertainty in the global credit markets is likely to continue, and government budgets will generally be tightened. The potential for economic growth therefore appears limited, and the Group expects very low growth rates in Europe in 2012.

- Earnings before impairment charges at the banking units and Danske Capital are likely to remain stable, while earnings at other units will depend on international market trends, especially in Europe.
- The Group will focus heavily on cost control and measures to improve earnings.
- The trend in customer credit quality will depend on the economic climate in the Group's markets, and total impairment charges are likely to remain high in 2012.
- The Group expects earnings to remain low in 2012.

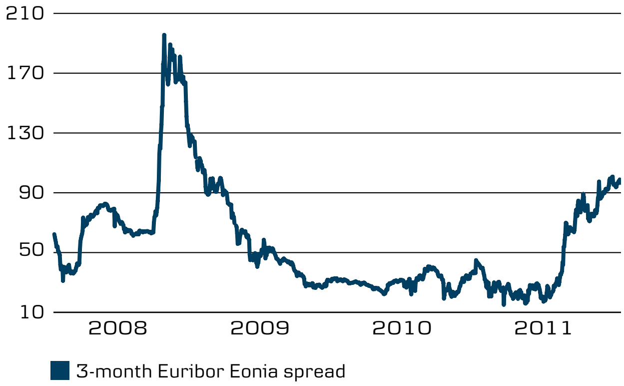
FINANCIAL REVIEW

INCOME STATEMENT (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	23,537	23,843	99	6,182	6,016	5,785	5,554
Net fee income	8,298	8,699	95	2,218	1,938	2,049	2,093
Net trading income	7,325	7,707	95	1,638	267	2,445	2,975
Other income	3,648	3,882	94	849	825	972	1,002
Net income from insurance business	569	2,146	27	976	-735	261	67
Total income	43,377	46,277	94	11,863	8,311	11,512	11,691
Expenses	25,987	26,010	100	6,459	5,499	6,678	7,351
Profit before loan impairment charges	17,390	20,267	86	5,404	2,812	4,834	4,340
Loan impairment charges	13,185	13,817	95	4,789	2,802	2,753	2,841
Profit before tax	4,205	6,450	65	615	10	2,081	1,499
Tax	2,482	2,786	89	415	394	881	792
Net profit for the year	1,723	3,664	47	200	-384	1,200	707
Attributable to non-controlling interests	11	3	-	-1	-	14	-2

In 2011, the Danske Bank Group posted a pre-tax profit of DKK 4.2 billion. The net profit was DKK 1.7 billion. The result was unsatisfactory and lower than expected because of the considerable financial turbulence and economic downturn in the second half of the year.

MONEY MARKET SPREADS

(bp)



Economic conditions improved in most of the Group's markets in the first half of 2011. Conditions became more difficult over the second half of the year, however, when financial and economic uncertainty increased greatly. The mounting global financial unrest left its mark on the Group's banking activities in the form of rising funding costs and a squeeze on margins.

Interest rates remained low throughout 2011. The economic crisis prompted the European Central Bank to cut interest rates in November and again in December. These rate cuts offset the hikes made in the first half of the year.

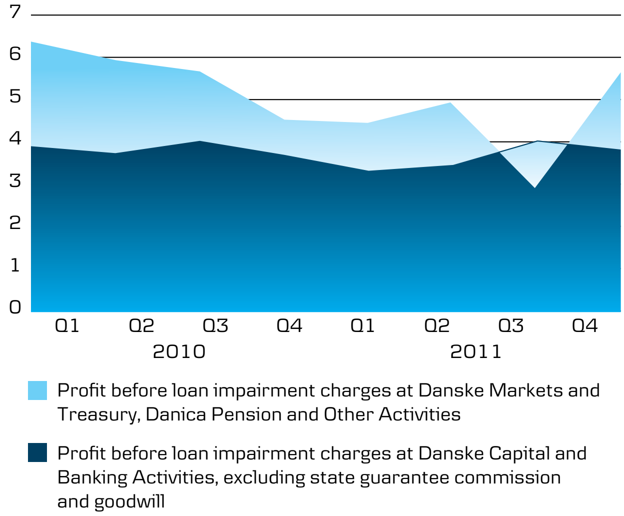
The Danish central bank followed suit but also lowered deposit rates independently. The adjustments brought leading rates down to a record low by the end of 2011.

The European debt crisis and the resulting focus on banks' credit exposure and funding needs increasingly troubled the capital markets. After the summer of 2011, money market spreads widened considerably, although not nearly as much as during the 2008 crisis.

The intense unrest led to a generally more difficult business environment, and this affected the Group's net trading income and Danica Pension's performance in particular in the second half of the year.

Banking Activities and Danske Capital both delivered stable results in 2011.

PROFIT BEFORE LOAN IMPAIRMENT CHARGES
(DKK billions)



Banking Activities posted an 8% rise in profit before loan impairment charges. Loan impairment charges declined only marginally from the level in 2010, with larger-than-expected charges in Denmark. The Irish and Northern Ireland banking units recorded large loan impairment charges, and both units posted losses.

At DKK 0.9 billion, Danske Capital's earnings improved 11% over the 2010 level. The rise was driven by higher assets under management and improved margins.

Danske Markets and Treasury achieved a profit before impairment charges of DKK 3.1 billion, against DKK 4.0 billion in 2010, mainly because of satisfactory income in the first half of the year. Income at Danica Pension fell from DKK 2.1 billion in 2010 to DKK 0.6 billion as booking of part of the risk allowance to income was postponed and the investment return declined.

Other Activities posted a loss because of the commitment of an estimated DKK 0.7 billion to the Danish Guarantee Fund for Depositors and Investors to cover losses on distressed banks.

Profitability

The Group has launched initiatives to improve earnings and ensure that its business model creates value even in times of low economic growth. One key measure is wider lending margins to compensate for rising capital and funding costs. The prices of many products and services have already been adjusted, and more changes are underway. The initiatives announced and implemented are expected to add more than DKK 2.5 billion to income in 2012.

In the fourth quarter of 2011, the Group launched a three-year cost-savings programme to reduce underlying costs by at least 10%, or some DKK 2 billion, from 2012 to 2014.

Focus will be on improving and automating customer service and streamlining operations.

Since 2008, the Group has cut costs in a number of areas, reducing the headcount by about 2,000 employees and the number of branches by about 160. These changes are a natural consequence of customers' use of eBanking, mobile banking and the 24/7 Contact Centre for an increasing number of banking transactions. The trend is likely to continue, and the changing customer behaviour contributes significantly to cost savings.

These developments gradually reduce the need for staff resources. The cost-savings programme therefore includes a headcount reduction of about 2,000 over the 2012-2014 period. The Group expects that a substantial number of the reductions can be made without redundancies if staff turnover, including retirements, remains at the usual level.

Income

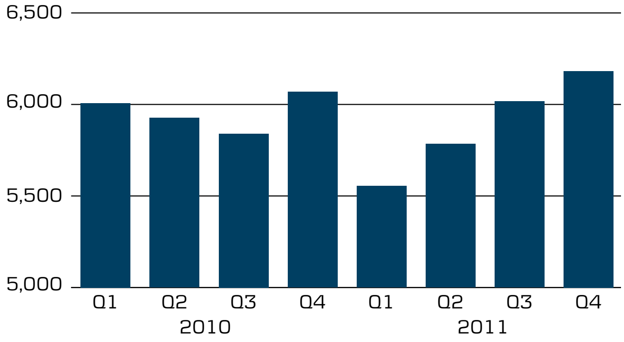
Total income was DKK 43.4 billion, down 6% from the level in 2010, mainly because of lower income from the insurance business.

Net interest income amounted to DKK 23.5 billion, largely matching the year-earlier level. The early months of 2011 saw low money market rates, but rates rose later in the first half of the year, and this led to wider deposit margins. The raising of lending rates in the summer had a further positive effect on net interest income in the second half of the year. The initiatives implemented since mid-year improved income in 2011 by about DKK 0.5 billion. The falling market rates reduced the effect of the higher lending rates in the second half of 2011.

The allocation of internal funding costs for lending and deposit activities was changed at 1 January

2011 to better reflect the rise in funding costs and the duration of loans and deposits. This reduced net interest income by about DKK 250 million and lifted net trading income at Group Treasury by the same amount.

NET INTEREST INCOME
(DKK millions)



Net fee income fell 5% from the year-earlier level, mainly because of the DKK 281 million commission paid to the Danish state for guaranteed bond issues.

Net trading income amounted to DKK 7.3 billion, down 5% from the 2010 level. Income was satisfactory in the first half of 2011 but suffered from the global financial turmoil in the third quarter. Market conditions caused widespread risk aversion among financial players. The turmoil led to lower interest rates, higher volatility and less liquidity on the interbank markets. Market conditions, especially in the derivatives and credit markets, improved in the fourth quarter, however. Income from customer-driven activity also improved.

Other income fell 6% from the year-earlier level because of lower one-off income.

The insurance business showed a profit of DKK 0.6 billion, down DKK 1.6 billion. Profit declined because the booking of DKK 1.1 billion of the risk allowance to income was postponed and the investment return fell. The extraordinary market conditions in the fourth quarter prompted the Danish FSA to allow an adjustment of the discount yield curve. Consequently, one element may now be calculated as a 12-month moving average. Danica Pension used the new discount yield curve in its calculation of life insurance provisions, and the effect was a reduction of provisions of DKK 2.8 billion at 31 December 2011. Under current rules and if the yield differential between Danish and German government bonds remains close to zero or becomes negative over the next year, this will result in a negative profit contribution in 2012.

The shadow account balance was DKK 1.2 billion. It may be booked to income at a later date when the technical basis permits.

Expenses

Expenses amounted to DKK 26.0 billion, the same level as in 2010. Underlying costs rose 4% during the period mainly because of higher IT development and marketing costs and general wage and price increases.

EXPENSES (DKK billions)	2011	2010
Expenses	26.0	26.0
Commission (Bank Package 1)	-	1.9
The Danish Guarantee Fund	0.7	-
Performance-based compensation	0.6	0.6
Severance payments	0.6	0.2
Depreciation and amortisation	3.5	3.4
Underlying costs	20.6	19.9
Cost/income ratio (%)	59.9	56.2
Underlying costs/income ratio (%)	47.6	43.1

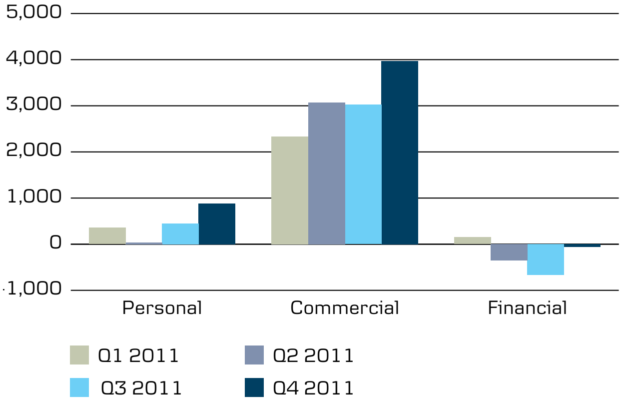
The resolution of Amagerbanken A/S, Fjordbank Mors A/S and Max Bank A/S resulted in a commitment to the Danish Guarantee Fund for Depositors and Investors of an estimated DKK 0.7 billion in 2011.

Loan impairment charges

Loan impairment charges amounted to DKK 13.2 billion in 2011, against DKK 13.8 billion in 2010. The charges related mainly to the commercial property segments in Ireland and Northern Ireland and to the agricultural, commercial property and personal customer segments in Denmark.

Total impairment charges for the year were high mainly because of large increases in the fourth quarter at Retail Banking Denmark and Corporate & Institutional Banking.

LOAN IMPAIRMENT CHARGES IN 2011
(DKK millions)



Charges equalled 0.7% of lending and guarantees, the same as in 2010. Individual charges amounted to a net DKK 13.8 billion, and collective charges saw a net reversal of DKK 0.6 billion. Individual charges covered new and increased charges etc. charged directly to the income statement of DKK 20.7 billion and reversals and amounts received on claims previously written off totalling DKK 6.9 billion. Charges against facilities that are being repaid accounted for 44% of the new and increased individual charges.

Total charges consisted of charges against facilities to personal customers of DKK 1.7 billion, charges against facilities to commercial customers of DKK 12.4 billion – with small and medium-sized enterprises accounting for DKK 9.4 billion – and charges against facilities to financial counterparties, which saw a net reversal of DKK 0.9 billion.

LOAN IMPAIRMENT CHARGES (DKK millions)	2011	2010
Retail Banking Denmark	4,316	7,649
Retail Banking Finland	187	91
Retail Banking Sweden	202	114
Retail Banking Norway	380	94
Banking Activities Northern Ireland	2,178	1,247
Banking Activities Ireland	6,334	4,969
Banking Activities Baltics	-255	207
Other Banking Activities	155	25
Corporate & Institutional Banking	744	25
Total Banking Activities	14,241	14,421
Danske Markets and Treasury	-1,033	-617
Danske Capital	-23	13
Total	13,185	13,817

Denmark
Charges at Retail Banking Denmark totalled DKK 4.3 billion, with charges against facilities to the agricultural, commercial property and personal customer segments accounting for the majority. Charges recognised by Realkredit Danmark accounted for DKK 1.1 billion. Charges at Retail Banking Denmark reflected a compensation of DKK 0.8 billion for the termination of a credit default swap covering potential losses on mortgage lending.

Realkredit Danmark
Realkredit Danmark posted charges against personal property loans of DKK 0.5 billion and charges against loans for other property types of DKK 0.6 billion. Charges equalled 0.2% of lending and guarantees.

Retail Banking Denmark (excl. Realkredit Danmark)
At Retail Banking Denmark, excluding Realkredit Danmark, charges for the period related mainly to the agricultural and commercial property segments.

The housing market was subdued, and prices fell throughout the year. The Group therefore expects an increasing number of personal customers to suffer losses on the sale of their homes. Customers are also more sensitive to changes in their personal finances. Loan impairment charges relating to the personal customer segment totalled DKK 0.6 billion in 2011.

Market conditions for the agricultural segment remained challenging. Pig farmers in particular were hit by high feedstuff prices. The last part of 2011 saw an improvement, however, as pork prices rallied and feedstuff prices fell. At the end of the year, accumulated individual impairment charges against facilities to agricultural customers amounted to DKK 2.0 billion, with pig farmers accounting for DKK 1.0 billion. The Group also recognised collective charges of DKK 0.3 billion against facilities to agricultural customers. Credit exposure to agricultural customers, mainly operating facilities, totalled DKK 8.6 billion at Retail Banking Denmark, excluding Realkredit Danmark.

The residential and commercial rental property markets saw higher vacancy rates, and the persistent slump in consumer spending hit retail rentals hard. Charges relating to the commercial property segment amounted to DKK 0.7 billion in 2011.

Ireland

Loan impairment charges at Banking Activities Ireland amounted to DKK 6.3 billion and related mainly to the commercial property segment.

Conditions in the commercial property market remained poor. Within the investment property segment, rents declined and vacancy rates rose. Also, the rate of return required by investors rose, depressing collateral values. Accumulated charges totalled DKK 13.8 billion, or 21% of the exposure. Accumulated charges against facilities to the commercial property and construction segments amounted to DKK 9.6 billion, or 41% of the exposure. With a total of DKK 3.0 billion, or 46% of the exposure, the property development segment occasioned the largest accumulated charges.

The economic situation in Ireland is affecting Irish households to an increasing degree, and impairment charges against facilities to personal customers made in 2011 amounted to DKK 0.6 billion. Accumulated charges amounted to DKK 1.9 billion at the end of the year.

Accumulated charges against facilities to other business segments totalled DKK 2.3 billion, or 14% of the exposure.

Northern Ireland

Loan impairment charges at Banking Activities Northern Ireland amounted to DKK 2.2 billion and related mainly to the commercial property segment. Charges declined somewhat from the third to the fourth quarter.

Charges remained high, though, primarily because commercial property prices fell. The property development segment saw the highest percentage of charges, mainly because of lower residential construction activity.

Accumulated charges totalled DKK 5.1 billion, or 9% of the exposure. Accumulated charges relating to the commercial property and construction segments amounted to DKK 4.2 billion of this amount, or 29% of the exposure. The property development segment posted accumulated charges of DKK 1.9 billion, or 51% of the exposure.

Accumulated charges against facilities to other business segments, including agriculture, and the personal customer segment were low.

Corporate & Institutional Banking

Loan impairment charges at Corporate & Institutional Banking amounted to DKK 0.7 billion, against DKK 25 million in 2010. The increase related to charges against facilities to a small number of customers. Adverse developments in the shipping industry were the main cause, with this industry accounting for 79% of charges in 2011 and 18% of the exposure.

Underlying credit quality at Corporate & Institutional Banking remained good. Charges equalled 0.6% of lending and guarantees.

Other units

At the units in Norway and Sweden, a few large customers accounted for most of the impairment charges. In Finland and the Baltic countries, charges were low, generally lower than the average expected for a business cycle. Charges equalled 0.1% of lending and guarantees at these units.

Loan impairment charges at Danske Markets benefited from reversals of previously recognised charges, for example charges against the exposure to Lehman Brothers.

Tax

Tax on the profit for the year, including adjustments of prior-year tax charges, amounted to DKK 2.5 billion. The tax charge is high relative to the profit for the year, mainly because the Group did not book the tax value of losses in Ireland. The tax value of losses is booked and capitalised only if it is likely that, in the future, the Group will book taxable income that can absorb any tax-loss carryforwards.

Fourth quarter 2011

The Group posted a pre-tax profit of DKK 0.6 billion, against DKK 10 million in the third quarter. Another quarterly rise in net interest income and rising net trading and insurance income more than offset higher impairment charges.

Net interest income rose 3% above the level in the third quarter. As expected, higher lending rates at Retail Banking Denmark added DKK 0.2 billion to income.

Net trading income amounted to DKK 1.6 billion, against DKK 0.3 billion in the third quarter. The global financial turbulence continued into the fourth quarter and led to widespread risk aversion among financial players, further rate cuts, continued volatility and poor liquidity in the interbank markets. Net trading income rose mainly because of better conditions in the derivatives and credit markets in December 2011. Income from customer-driven activity remained high.

The Group's insurance business posted a profit of DKK 1.0 billion, against a loss of DKK 0.7 billion in the third quarter, as the need to strengthen technical provisions declined.

Expenses amounted to DKK 6.5 billion, rising 17% over expenses in the third quarter, which benefited from lower holiday pay expenses and lower marketing costs. Provisions for severance pay and costs relating to the adjustment of distribution channels contributed DKK 0.3 billion to the rise in the fourth quarter.

Loan impairment charges amounted to DKK 4.8 billion, a rise of 2.0 billion over the level in the third quarter. Considerably higher charges at Retail Banking Denmark and Corporate & Institutional Banking, caused by adverse trends in agriculture and shipping, were the main reasons for the high level of charges. Impairment charges remained high at the units in Northern Ireland and Ireland, although charges fell from the third-quarter level at Northern Bank.

BALANCE SHEET

LENDING (END OF PERIOD) (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Retail Banking Denmark	967,672	961,686	101	967,672	963,637	950,340	945,213
Retail Banking Finland	150,484	140,587	107	150,484	148,387	146,803	142,693
Retail Banking Sweden	185,418	178,715	104	185,418	180,317	182,218	182,866
Retail Banking Norway	132,102	124,774	106	132,102	129,799	130,249	125,488
Banking Activities Northern Ireland	53,326	52,130	102	53,326	52,831	48,929	49,229
Banking Activities Ireland	63,728	70,233	91	63,728	66,657	67,861	69,251
Banking Activities Baltics	20,501	23,833	86	20,501	21,444	22,254	23,198
Other Banking Activities	16,833	16,126	104	16,833	17,095	16,318	16,661
Corporate & Institutional Banking	108,769	102,578	106	108,769	108,034	103,483	102,550
Total Banking Activities	1,698,833	1,670,662	102	1,698,833	1,688,201	1,668,455	1,657,149
Danske Markets and Treasury	44,330	48,665	91	44,330	46,407	40,671	42,602
Danske Capital	6,075	6,450	94	6,075	6,266	6,293	6,356
Other Activities	-3,603	-6,163	-	-3,603	-936	-4,878	-3,571
Allowance account, lending	47,610	39,649	120	47,610	46,420	43,933	40,553
Total lending	1,698,025	1,679,965	101	1,698,025	1,693,518	1,666,608	1,661,983

DEPOSITS AND BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIOD) (DKK millions)							
Retail Banking Denmark	275,995	281,698	98	275,995	281,261	282,927	280,929
Retail Banking Finland	105,256	97,314	108	105,256	104,568	102,431	102,984
Retail Banking Sweden	73,072	72,762	100	73,072	65,301	66,719	68,208
Retail Banking Norway	60,223	54,101	111	60,223	56,749	56,799	54,150
Banking Activities Northern Ireland	55,060	53,166	104	55,060	53,540	49,408	50,917
Banking Activities Ireland	37,787	39,416	96	37,787	37,462	37,921	42,446
Banking Activities Baltics	19,530	20,521	95	19,530	20,137	20,822	20,138
Other Banking Activities	5,225	5,413	97	5,225	6,649	4,936	5,484
Corporate & Institutional Banking	69,333	71,754	97	69,333	67,957	68,990	72,800
Total Banking Activities	701,481	696,145	101	701,481	693,624	690,953	698,056
Danske Markets and Treasury	97,412	102,777	95	97,412	96,768	101,854	97,840
Danske Capital	5,700	5,869	97	5,700	6,584	6,424	6,075
Other Activities	-9,318	-4,178	-	-9,318	-8,055	-7,194	-7,367
Total deposits	795,275	800,613	99	795,275	788,921	792,037	794,604
Bonds issued by Realkredit Danmark	557,699	555,486	100	557,699	534,245	529,808	542,065
Own holdings of Realkredit Danmark bonds	171,674	172,643	99	171,674	182,930	170,094	153,351
Total Realkredit Danmark bonds	729,373	728,129	100	729,373	717,175	699,902	695,416
Deposits and bonds issued by Realkredit Danmark	1,524,648	1,528,742	100	1,524,648	1,506,096	1,491,939	1,490,020
Lending as % of deposits and bonds issued by Realkredit Danmark	111	110		111	112	112	112

Lending

Total lending to personal customers largely matched the level at the end of 2010, while lending to business customers rose.

In the fourth quarter, lending at Retail Banking Denmark was up DKK 4.0 billion from the third-quarter level, mainly because of market value adjustments of mortgage loans.

In Denmark, new lending, excluding repo loans, amounted to DKK 48.4 billion. This amount included lending to personal customers of DKK 22.2 billion. Net new mortgage lending accounted for DKK 6.8 billion of new lending to personal customers.

Lending equalled 111% of the total amount of deposits and bonds issued by Realkredit Danmark, against 110% at the end of 2010.

Deposits and bonds issued by Realkredit Danmark

Total deposits from personal customers largely matched the level at 31 December 2010, while deposits from business customers edged down.

Deposits at Retail Banking Denmark fell 2% from the level at the end of 2010. Excluding exchange rate effects, total deposits at the units outside Denmark rose 3% over the level at the end of 2010.

The total value of mortgage bonds issued to fund loans provided by Realkredit Danmark, including the Group's own holdings, was DKK 729 billion and matched the year-earlier level.

Credit exposure

At 31 December 2011, total credit exposure amounted to DKK 3,611 billion, against DKK 3,402 billion at the end of 2010. Some DKK 2,299 billion derived from Danish and international lending activities, and DKK 1,020 billion from trading and investment activities.

Credit exposure from lending activities

Total credit exposure from lending activities includes amounts due from credit institutions and central banks, guarantees and irrevocable loan commitments. The exposure is measured net of accumulated impairment charges and includes repo loans.

Personal customers accounted for 39% of credit exposure from lending activities, commercial customers for 39%, and financial counterparties for 17%. The remainder was exposure to central banks and central and local governments. Of the exposure to commercial customers, small and medium-sized enterprises accounted for 68%.

CREDIT EXPOSURE FROM LENDING ACTIVITIES (DKK millions)	31 Dec. 2011	Share of total (%)	31 Dec. 2010	Share of total (%)
Retail Banking Denmark	976,962	43	973,075	41
Retail Banking Finland	158,008	7	146,697	6
Retail Banking Sweden	203,319	9	198,334	8
Retail Banking Norway	145,658	6	138,386	6
Banking Activities Northern Ireland	52,480	2	51,872	2
Banking Activities Ireland	52,695	3	62,678	3
Banking Activities Baltics	22,158	1	25,314	1
Other Banking Activities	55,586	2	63,443	3
Corporate & Institutional Banking	256,188	11	254,535	11
Total Banking Activities	1,923,054	84	1,914,334	81
Danske Markets and Treasury	365,692	16	439,065	19
Danske Capital	9,965	-	10,057	-
Total	2,298,711	100	2,363,456	100

Personal customers

Credit exposure to personal customers covers loans secured on the customers' assets, consumer loans and fully or partially secured credits.

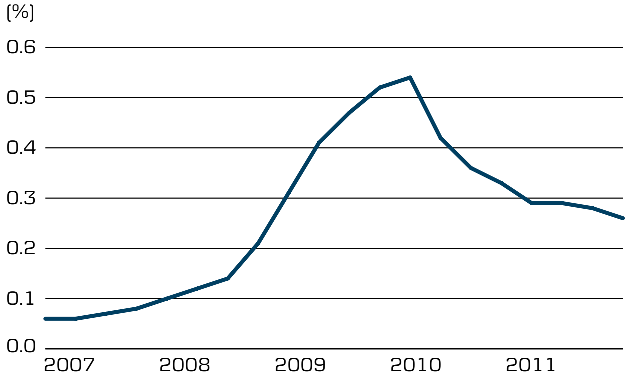
At 31 December 2011, credit exposure to personal customers amounted to DKK 889 billion. Home financing accounted for DKK 775 billion, and Realkredit Danmark loans accounted for DKK 421 billion of that amount. Most of the home loans were variable-rate loans.

LOAN-TO-VALUE RATIO, HOME LOANS (%)	31 Dec. 2011	31 Dec. 2010
Retail Banking Denmark	69.5	66.9
Realkredit Danmark	67.7	65.6
Retail Banking Finland	62.5	62.4
Retail Banking Sweden	70.3	68.9
Retail Banking Norway	63.6	62.8
Banking Activities Northern Ireland	78.0	72.4
Banking Activities Ireland	118.9	83.7
Banking Activities Baltics	84.1	96.2
Average	69.9	67.3

As a result of lower property values, loan-to-value (LTV) ratios rose. Moreover, the Group adjusted the price indices used to value residential property, and this adjustment had an adverse effect in particular at Banking Activities Ireland.

In the second half of 2011, the credit quality of the personal customer portfolio in Denmark deteriorated. The fall in house prices meant that an increasing number of personal customers could suffer losses on the sale of their homes. However, the relatively low unemployment rate meant that customers were not forced to sell and take the resulting losses. Because of the low level of interest rates, Realkredit Danmark saw a slight fall in delinquency rates.

DELINQUENCY RATES, REALKREDIT DANMARK



At the other Nordic retail banking units, credit quality remained stable at the end-2010 level.

At the unit in Ireland, credit quality suffered because of high unemployment and a continued decline in disposable income. Delinquency rates rose but remained below the market average.

Loan demand from new personal customers was unchanged from the level in 2010. At 93%, the percentage of personal customer loan applications that were approved was on a par with the 2010 level. The percentage of new customers who applied for loans also matched the 2010 level.

Accumulated impairment charges against personal customer facilities accounted for 18% of total charges and equalled 1% of lending and guarantees to personal customers.

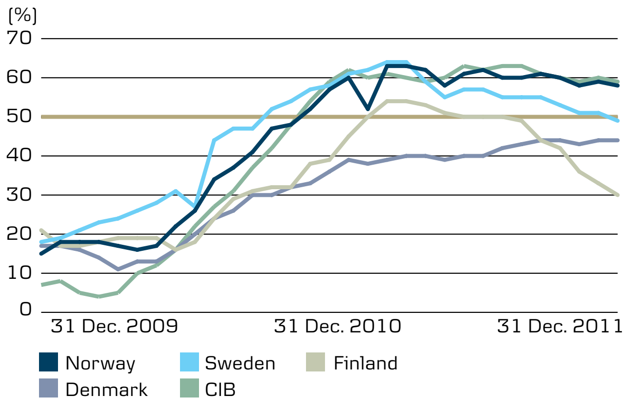
Business customers

Credit exposure to business customers relates to fully or partly secured operating finance and loans secured on assets.

At the end of 2011, credit exposure to business customers amounted to DKK 899 billion.

Business customer credit quality was largely unchanged, and customers in Ireland and Northern Ireland continued to face difficulties. In Denmark, lower credit quality among small and medium-sized enterprises affected overall credit quality.

BUSINESS RATINGS



Upgrades as % of rating changes in terms of exposure amount – 12-month moving average

The number of business customer upgrades has risen continuously since 2009. At the end of 2011, downgrades still exceeded upgrades at Retail Banking Denmark, while Retail Banking Norway and Corporate & Institutional Banking had considerably more upgrades than downgrades.

The Group's recent general recalibration of its rating models affected business ratings, especially in Finland.

At 31 December 2011, credit exposure from property loans amounted to DKK 257 billion. At Retail Banking Denmark, the credit quality of property exposures was adversely affected by higher vacancy rates for residential and commercial property.

At 31 December 2011, exposure to the Irish and Northern Ireland property sectors amounted to DKK 11.4 billion and DKK 7.7 billion, respectively.

Property developers in Ireland accounted for DKK 3.5 billion (7% of total exposure in Ireland). In Northern Ireland, the comparable figure was DKK 1.8 billion (3% of total exposure in Northern Ireland).

The property sectors in Ireland and Northern Ireland continued to suffer from falling property prices. Property developers in particular struggled with lower property values. The drop in rents and the rise in vacancy rates squeezed earnings on rental property, which in turn reduced credit quality.

Among small and medium-sized Danish enterprises, agricultural customers in particular had low credit quality because of modest earnings, high gearing and falling property prices. Pork prices rose in the last part of 2011, and, although they declined, sales prices of the most important other agricultural produce remained high. For the year as a whole, the credit quality of the agricultural portfolio deteriorated.

The EU is reviewing agricultural subsidies. Over the long term, this may increase risks, particularly on the weakest agricultural exposures. At the end of 2011, credit exposure to agricultural customers amounted to DKK 67.9 billion, with DKK 45.0 billion deriving from loans provided by Realkredit Danmark. The average LTV ratio for agricultural properties mortgaged to Realkredit Danmark was 74%, against 73% at the end of 2010.

The shipping industry was under pressure at the end of 2011. The negative trend was not limited to isolated segments but covered the entire industry. Excess capacity and low freight rates reduced both collateral values and liquidity. This put the highly leveraged companies in the industry in jeopardy. Also in 2012, demand for transport is forecast to grow less than supply, and small companies in particular are at risk. Credit exposure to the shipping industry amounted to DKK 48.4 billion, against DKK 50.9 billion at the end of 2010.

Accumulated impairment charges against business customer facilities accounted for 73% of total charges and equalled 4% of lending and guarantees to business customers.

Financial counterparties

Credit exposure to financial counterparties amounted to DKK 389 billion at the end of 2011, against DKK 442 billion a year earlier. Most of it was bank facilities with high-quality collateral, mainly repo transactions. The credit quality of financial counterparties remained good.

In recent years, the Group has actively reduced its exposure to financial counterparties.

Exposure to small Danish credit institutions was limited. Exposure to small and medium-sized Danish banks (groups 2-4 as defined by the Danish central bank) amounted to DKK 3.2 billion at the end of the year.

Accumulated impairment charges against facilities to financial counterparties accounted for 8% of total charges.

Risk Management 2011, which is available at www.danskebank.com/ir, provides more details on the Group's credit risks.

Allowance account

The allowance account holds accumulated loan impairment charges. At the end of 2011, charges stood at DKK 48.6 billion, against DKK 43.8 billion a year earlier. Collective charges accounted for DKK 4.1 billion.

ALLOWANCE ACCOUNT (DKK millions)	31 Dec. 2011	31 Dec. 2010
Retail Banking Denmark	18,180	19,089
Retail Banking Finland	1,974	2,036
Retail Banking Sweden	1,226	1,193
Retail Banking Norway	1,474	1,469
Banking Activities Northern Ireland	5,083	3,078
Banking Activities Ireland	13,820	9,564
Banking Activities Baltics	2,244	2,892
Other Banking Activities	381	348
Corporate & Institutional Banking	1,455	935
Danske Markets and Treasury	2,599	2,954
Danske Capital	168	211
Total	48,604	43,769

Small and medium-sized enterprises accounted for most of the accumulated charges at Retail Banking Denmark. Most of Banking Activities Ireland's allowance account balance related to the property sector, while the allowance account balance for Corporate & Institutional Banking related to the shipping industry.

Rating categories 11 and 10 comprise individually impaired exposures.

EXPOSURE AT 31 DECEMBER 2011 (DKK billions)	Rating category 11	10
Credit exposure before impairment charges	66.6	46.7
Accumulated impairment charges	33.4	11.1
Credit exposure	33.2	35.6
Collateral value	27.8	21.5
Total unsecured exposure	5.4	14.1
Covered by impairment charges and collateral (%)	91.9	69.8

Rating category 11 contains exposures to customers that, according to the Group's definition, are in default. These customers are subject to debt collection, restructuring or bankruptcy, or have one or more facilities on which a payment is more than 90 days past due. If a customer defaults on just a single facility, the customer's downgrade to category 11 applies to the entire exposure. Downgrading takes place even if the exposure is fully secured.

Rating category 10 contains customers with impaired exposures that are not in default. Other evidence of financial difficulty exists for these customers, however, such as a need for financial restructuring in the future. Most of these customers continue to service their loans in a timely manner. Downgrading takes place even if the exposure is fully secured.

The exposure to customers in category 10 totalled DKK 35.6 billion, against DKK 34.0 billion at the end of 2010.

Actual losses amounted to DKK 11.2 billion, against DKK 8.9 billion in 2010. The figure includes the settlement of DKK 3.3 billion for the Group's commitment under Bank Package 1. Of actual losses in 2011, DKK 1.0 billion was attributable to facilities not previously subject to impairment, against DKK 0.9 billion 2010.

Trading and investment activities

Credit exposure from trading and investment activities rose from DKK 761 billion at 31 December 2010 to DKK 1,020 billion at the end of 2011.

The rise came mainly from an increase in the value of derivatives as lower market rates led to higher fair values of conventional interest rate contracts. The Group has made agreements with many of its counterparties to net positive and negative market values. The net exposure was DKK 99 billion, against DKK 75 billion in 2010, and most of it was secured by collateral management agreements.

The value of the bond portfolio was DKK 464.6 billion, with DKK 70.5 billion recognised at fair value according to the rules on available-for-sale financial assets. Of the total bond portfolio, 97.6% was recognised at fair value and 2.4% at amortised cost. The Group has not reclassified bonds since 2008.

Most of the bond portfolio is liquid and can be used as collateral for loans from central banks and thus forms part of the liquidity reserve.

BOND PORTFOLIO (%)	31 Dec. 2011	31 Dec. 2010
Government bonds and bonds guaranteed by central or local governments	28	29
Bonds issued by quasi-government institutions	2	2
Danish mortgage bonds	46	45
Swedish covered bonds	14	13
Other covered bonds	5	5
Short-dated bonds (CP etc.), primarily with banks	2	2
Corporate bonds	3	4
Total holdings	100	100
Available-for-sale bonds included in total holdings	15	21

Holdings of government bonds consisted primarily of bonds issued by the Nordic countries, Germany and the UK. The net government bond exposure to Ireland, Portugal, Spain and Italy was DKK 2.5 billion. All holdings of government bonds issued by Ireland, Portugal, Spain and Italy were recognised at market value. The bond portfolio did not include government bonds issued by Greece.

Capital and solvency

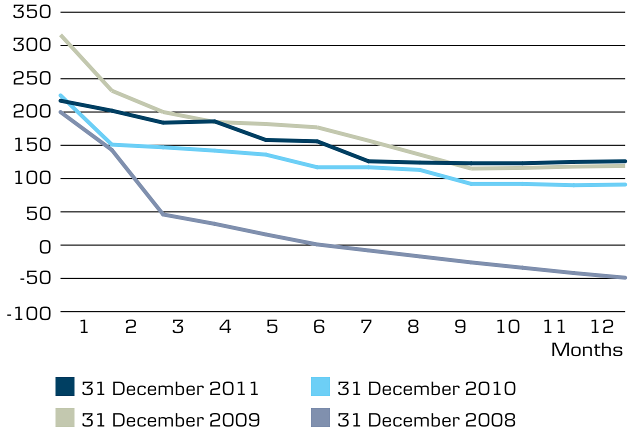
In April 2011, the Group raised new share capital through a rights issue. The gross proceeds were DKK 20.0 billion, and the net proceeds DKK 19.8 billion. The issue lifted the Group's core tier 1 capital ratio by about 2.2 percentage points (calculated at 31 December 2011).

At the end of 2011, the total capital ratio was 17.9%, with 16.0 percentage points deriving from tier 1 capital. Subordinated loan capital raised from the Danish state accounted for 2.9 percentage points of the total capital and tier 1 capital ratios. At 31 December 2010, the total capital ratio was 17.7%, and the tier 1 capital ratio was 14.8%.

Liquidity and funding

The Group maintained a strong liquidity position throughout the year. Consequently, the Group can continue operations even if access to the capital markets is cut off for much more than 12 months, as shown in Moody's liquidity curve. The Group uses this curve as one element of its liquidity management. The Group's 12-month liquidity curve is positive for more than two and a half years.

12-MONTH LIQUIDITY
(DKK billions)



In 2011, the Group issued covered bonds for an amount of DKK 37.8 billion, and there is still unexploited potential in loans that can serve as collateral for covered bonds.

In addition, the Group issued senior debt for DKK 21.3 billion in 2011. A large portion of this debt was issued in April, when notes worth USD 1.9 billion, or DKK 9.8 billion, were issued under the US note programme.

On 16 June 2009, Danske Bank entered into an agreement on state-guaranteed bond issues with maturities of up to three years (Bank Package 2). At the end of 2011, Danske Bank had issued state-guaranteed bonds in the amount of DKK 36.4 billion maturing in 2012. The amount required to redeem the bonds is included in the liquidity reserve.

Ratings

In 2011, Standard & Poor's maintained its rating of Danske Bank at A. In the first half of the year, Moody's downgraded Danske Bank from Aa3 to A2, and Fitch Ratings downgraded Danske Bank from A+ to A in December. This downgrade brought Fitch's rating in line with those of the other rating agencies.

At the end of December 2011, the rating agencies maintained a negative outlook on Danske Bank.

In November 2011, Standard & Poor's reaffirmed its A rating of Danica Pension (with a negative outlook). After the repayment of the subordinated loan in October 2011, Danica Pension decided not to maintain a rating.

In order to assign top ratings to mortgage bonds, the rating agencies have required overcollateralisation above the statutory requirements for supplementary collateral.

In June 2011, Realkredit Danmark terminated its collaboration with Moody's. The reason was disagreement over the fundamentals of the model used by Moody's for rating Danish mortgage bonds. In Realkredit Danmark's opinion, the overcollateralisation requirement was unnecessarily high.

Mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark are rated AAA by Standard & Poor's.

Executive management

Peter Straarup, Chairman of the Executive Board, reached the age of 60 in 2011 and wishes to retire in accordance with the terms of his employment contract. The Board of Directors has appointed Eivind Kolding as chief executive officer effective 15 February 2012. Peter Straarup will retire at the same time.

On 19 December 2011, Eivind Kolding resigned as Chairman of the Board of Directors and from the three board committees on which he served. He continues as member of Danske Bank's Board of Directors until he assumes the position of Chief Executive Officer. The former Vice Chairman of the Board of Directors, Ole Andersen, succeeds Eivind Kolding as Chairman. Niels B. Christiansen has been elected Vice Chairman.

Per Skovhus, member of the Executive Board, wishes to resign for personal reasons and will leave the Executive Board no later than 1 July 2012.

Outlook for 2012

The recovery that began in the first half of 2011 was followed by increasing concerns and unrest in the financial markets in the second half of the year. The European debt crisis that started in southern Europe escalated and affected the other EU countries. Doubts about how the US would cope with its massive budget deficit also put a damper on global economic growth. The uncertainty is likely to continue in 2012, and the foundation for economic growth appears weak. The economic situation remains unstable.

Interest rates are expected to be largely unchanged or lower.

In the second half of 2011, Danske Bank twice raised lending rates in Denmark by up to 0.5 of a percentage point to cover higher expenses for the resolution of distressed Danish banks and higher funding costs. A further increase in lending rates of up to 0.5 of a percentage point took effect on 3 February 2012.

Stricter requirements for supplementary collateral for mortgage-covered bonds caused funding costs to rise and necessitated higher administration margins. Realkredit Danmark thus raised margins on 1 January 2012.

Most of the units outside Denmark also raised lending rates.

The Group will continue its efforts to strengthen income, and further price increases are likely. The announced and implemented initiatives are expected to improve income by more than DKK 2.5 billion a year over the level in 2011. Lower key interest rates will curb the effect of price increases, however. Overall, net interest income is likely to increase from the 2011 level.

Streamlining the customer-facing organisation and general process improvements will reduce underlying expenses by at least 10% from 2012 to 2014. Expenses are expected to be at the same level in 2012 as in 2011.

The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – will depend greatly on trends in the financial markets. Because of the trend in securities prices in 2011, the Group is unlikely to be able to book the full risk allowance in 2012, and the discount yield curve used in 2011 may later cause the profit contribution to be negative. The shadow account balance was DKK 1.2 billion. It may be booked to income at a later date when the technical basis permits.

The Irish economy will continue to face structural challenges, and because of the economic climate, the level of future impairment charges is uncertain. The situation for rental property and property developers in Northern Ireland is also uncertain. Loan impairment charges at the units in Ireland and Northern Ireland are likely to remain high, at least in the coming quarters.

The trend in credit quality will generally depend on the economic climate in the Group's markets. The Group believes that total impairment charges will remain high.

Combined with the outlook for modest economic growth, the Group's solid funding position means that there will be a limited need for new issues in 2012.

The Group expects earnings to remain low in 2012, but because of the economic climate, the estimate is subject to considerable uncertainty.

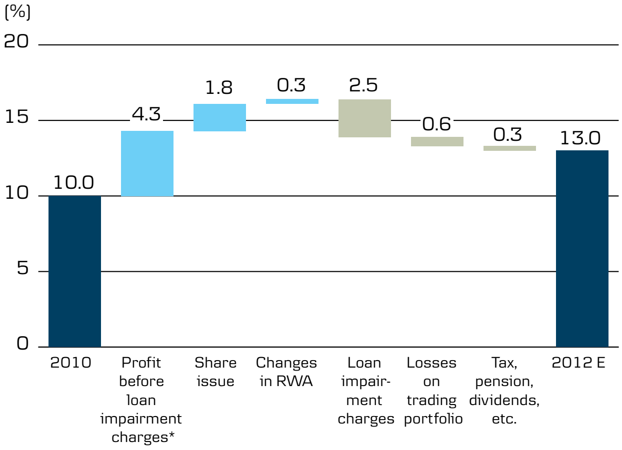
CAPITAL AND LIQUIDITY MANAGEMENT

The Group's capital management policies and practices support its business strategy and ensure that it is sufficiently capitalised to withstand severe macroeconomic downturns.

In addition to shareholders' equity, the Group's capital base consists of hybrid capital and tier 2 capital. At the end of 2011, the capital base amounted to DKK 162 billion, and the total capital ratio was 17.9%. The core tier 1 capital ratio stood at 11.8%.

CAPITAL BASE (DKK billions)	2011	2010
Core tier 1 capital	107	85
Hybrid capital, less statutory deductions	38	40
Tier 2 capital, less statutory deductions	17	25
Capital base	162	150

CHANGE IN TIER 1 CAPITAL RATIO UNDER EBA'S ADVERSE SCENARIO



* Excluding losses on trading portfolio.

The tier 1 capital ratio is calculated in accordance with the guidelines for the EBA stress test, with RWA equal to 80% of the Basel I RWA.

At the end of 2011, the Group's solvency need amounted to DKK 90.5 billion, or 10% of risk-weighted assets (RWA). The capital base thus included a capital buffer of DKK 71.6 billion at 31 December 2011.

The European Banking Authority (EBA) included the Danske Bank Group in a group of 90 European banks covered by an EU-wide stress testing exercise conducted in the first half of 2011. The stress test used two economic scenarios designed to assess the resilience of the European banking sector against an unexpected deterioration of market or macroeconomic conditions.

The Group performed well on the EBA test. In the adverse scenario, it ranked among the top ten of the 90 banks tested. This result confirms the Group's strong financial position.

The Group's strong financial position was also confirmed by the EBA's capitalisation test of European banks, which was published in December 2011. This test was conducted to assess European banks' need for recapitalisation. As expected, the Group passed the test with a capital level substantially above the EBA's requirement.

The Group bases its capital considerations on an assessment of capital requirements under the current capital adequacy rules and the transitional rules and on an assessment of the effects of future regulation, including Capital Requirements Directive IV (CRD IV). The capital considerations also take account of criteria such as expected growth and earnings, dividend policy, and stress test scenarios.

The Group aspires to improve its credit ratings, which are important for its access to liquidity and the pricing of its long-term funding. Desired ratings are therefore included in the capital considerations.

In the spring of 2011, the Group strengthened its capital position through a fully underwritten rights offering with net proceeds of DKK 19.8 billion. One purpose of the share capital increase was to enable the Group to repay, as early as 2012, the hybrid capital raised from the Danish state in 2009. A financially satisfactory agreement on prepayment terms could not be reached, however, and the Group decided not to prepay the loan. Under the loan agreement, the loan thus cannot be repaid until 2014.

As a result of the negotiations with the Danish government on the loan agreement, it would be possible to cancel the option and obligation to convert the loan capital into share capital in full or in part until May 2014 in accordance with the terms and conditions of the loan. Cancellation would not change the annual loan payment. The Board of Directors has decided not to submit a proposal to amend the agreement to the general meeting on 27 March 2012, however, as the regulatory requirements for hybrid capital etc. have not yet been clarified.

In 2011, the Group launched a number of initiatives to strengthen its apparatus for calculating RWA for credit risk, including revised and improved models and parameters, such as a new method for calculating the through-the-cycle probability of default. In the aggregate, these initiatives increased RWA by DKK 34 billion. The Group believes that its models are robust and sufficiently conservative. The Group continues to monitor its models and their results and will, if necessary, make adjustments for changes in economic, financial or regulatory conditions.

The new capital requirements (CRD III), which took effect at the end of 2011, include a requirement to use stressed VaR for market risk in the calculation of RWA. In the fourth quarter of 2011, RWA rose by DKK 11.5 billion as a result of CRD III.

At 31 December 2011, RWA amounted to DKK 906 billion, against DKK 844 billion at 31 December 2010.

ICAAP

The Group's capital management policies and practices are based on an internal capital adequacy assessment process (ICAAP). In this process, the Group regularly identifies its risks and determines its solvency need.

As part of the ICAAP, management identifies the risks to which the Group is exposed for the purpose of assessing its risk profile. It also determines the risks to be covered by capital. In addition, the ICAAP involves capital planning to ensure that the Group is sufficiently capitalised in the years ahead. One of the planning tools is stress testing.

Assessing whether the Group's solvency need allows for all material risks that the Group faces is an important part of the process. The Group has set up a process to quantify, on the basis of input from internal experts, any add-ons to the solvency need. Capital add-ons are additive, although they may overlap. The process thus represents a conservative assessment of the solvency need.

The regulatory framework for the Group's capital management is rooted in the CRD, which comprises three pillars based on Basel II guidelines:

- Pillar I contains a set of rules for calculating the capital requirement (8% of RWA for credit risk, market risk and operational risk).
- Pillar II describes the framework for the ICAAP and the dialogue with the Danish FSA. The ICAAP determines the solvency need (see below).
- Pillar III deals with market discipline and sets forth disclosure requirements for risk and capital management. The Group complies with the Pillar III disclosure requirements through its publication of Risk Management 2011, which is available at www.danskebank.com/ir.

While Pillar I calculates risks and capital requirements on the basis of uniform rules for all credit institutions, the ICAAP under Pillar II takes into account the individual characteristics of a given institution and covers all relevant risk types, including risks not addressed under Pillar I.

Solvency need

The Group calculates its solvency need as the highest of the following measures:

- The capital requirement according to the Group's internal models for economic capital.
- The capital requirement under Pillar I plus an add-on to address risks that are not covered by Pillar I (Pillar I+).
- The capital requirement under the Basel I transitional rules.

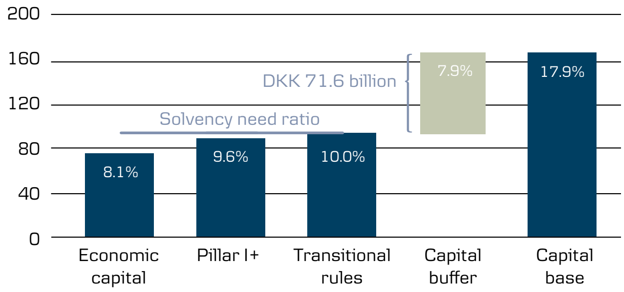
The capital requirement under the Basel I transitional rules is calculated as 80% of the capital requirement under Basel I, or 6.4% of RWA under Basel I. In its revision of the CRD (CRD IV), the European Commission has proposed an extension of the transitional rules for several years. A final decision on this matter is expected in 2012.

Both the Pillar I+ requirement and economic capital are supplemented by add-ons to reflect any uncertainty about the risk models, and the capital level is subject to ongoing qualitative adequacy assessments.

The calculation of the solvency need for the Danske Bank Group and Danske Bank A/S is described in more detail in Risk Management 2011, which is available at www.danskebank.com/ir. Risk Management 2011 also provides details on the management of credit risk, market risk and liquidity risk.

SOLVENCY NEED AND CAPITAL BASE, END-2011

(DKK billions)



Stress testing

In the ICAAP, the Group uses macroeconomic stress tests to project its solvency need and capital levels under various unfavourable scenarios. Stress tests are an important means of analysing the Group's risk profile since they give management a better understanding of how portfolios are affected by macroeconomic changes, including the effects of adverse events on capital.

MAIN STRESS TEST SCENARIOS

SCENARIO	DESCRIPTION
Mild recession	A geopolitical crisis dampens global demand temporarily. This scenario assumes slight economic contraction in the first year followed by a recovery. In the subsequent years, growth will be lower than assumed in the base case scenario.
Severe recession	The scenario assumes a deep international recession with a significant slump in global trade, which entails lower export demand. Domestic investment, consumption and house prices fall. Central banks around the world adopt a more accommodating monetary policy.
Regulatory scenarios	Danish FSA: Base case and stress scenario. EBA: Base case and adverse scenario.

Risk Management 2011 provides more information about stress testing.

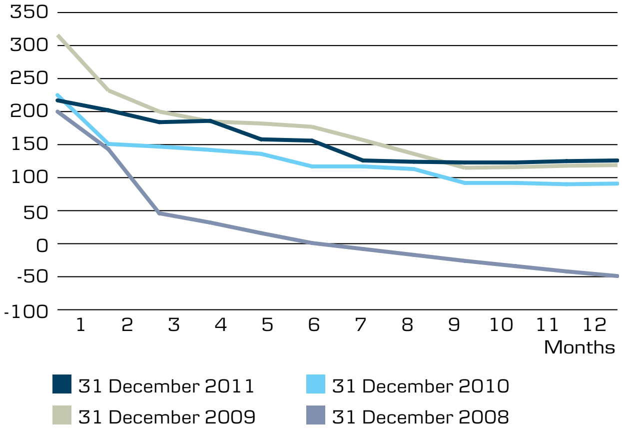
Liquidity and funding

Liquidity management is intended to ensure that the Group always has sufficient liquidity to meet its obligations. The Group has organised its liquidity management to meet this objective by ensuring that it has robust funding options that enable it to withstand even less probable situations that would have a substantial adverse effect on its liquidity.

Developments in the financial markets in 2011 and the economic outlook in Europe and the US had an adverse effect on the banking sector.

The Danish Bank Package 3 was used for the resolution of Amagerbanken A/S, and this aggravated the negative situation in the Danish banking sector. The Group was downgraded twice, mainly because the rating agencies felt that Bank Package 3 implicitly weakened systemic support. The adoption of Bank Package 4 in late summer and the prospect of designating systemically important financial institutions in Denmark took some of the pressure off the Danish banks. The extension of the compensation scheme under which healthy banks can take over all or parts of a distressed bank also helped ease the pressure.

12-MONTH LIQUIDITY
(DKK billions)



The Group maintained a strong liquidity position despite the year's events, and its 12-month liquidity curve is positive for more than two and a half years ahead.

The raising of substantial long-term funding and the favourable changes in the loan-to-deposit ratio in 2009 and 2010 contributed to the Group's positive liquidity position and will help it meet the future regulatory requirements for liquidity.

The Group monitors its funding composition to ensure that it is well diversified. A well-balanced portfolio of liabilities generates a stable funding flow and protects the Group against market volatility.

The Group's comprehensive and well-established funding programmes in Europe and the US and its substantial personal customer deposits are crucial for its liquidity management. Covered bonds play an increasingly important role in funding.

In 2011, the Group issued covered bonds for DKK 37.8 billion. Currently, the bonds are based on Danish, Norwegian, Swedish and Finnish loans, and there is still unexploited potential in loans that can serve as collateral for such bonds.

In addition, senior debt for DKK 21.3 billion was issued in 2011, a large portion of it in April, when notes worth USD 1.9 billion, or DKK 9.8 billion, were issued under the US note programme.

On 16 June 2009, Danske Bank entered into an agreement on state-guaranteed bond issues with maturities of up to three years (Bank Package 2). At the end of 2011, Danske Bank had issued state-guaranteed bonds for DKK 36.4 billion maturing in 2012. The amount required to redeem the bonds is included in the liquidity reserve.

In the autumn of 2011, the Danish central bank expanded its lending facility to Danish banks by allowing them to borrow on the basis of collateral consisting of high-quality loans. A number of other European countries have similar programmes. The Danish central bank followed the ECB by introducing an option to raise loans with a maturity of three years. The initiatives are likely generally to benefit the funding markets and offer banks a way of optimising their liquidity management. At the end of 2011, the Group had drawn around DKK 11 billion on the ECB facility.

Regulations

New regulations for the financial sector are being proposed in the EU and beyond. The Group follows this process closely and supports measures to strengthen the resilience of the sector and its ability to support economic growth.

In July 2011, the European Commission published its proposal for a major revision of the CRD (CRD IV). The proposal will implement the Basel III rules in the EU. The political negotiations will continue in the period until 2013, and the final rules may differ from the original proposal.

The rules will come into force at the beginning of 2013. According to the proposal, the details of the liquidity regulations will be determined later, and the member states must determine the degree of phasing-in of the capital requirements in the period until 2019.

The Group considers it important that the phasing-in of the new capital requirements in the EU does not deviate from the Basel III phasing-in period agreed on internationally.

The Group does not expect the European Commission's proposal for CRD IV to lead to stricter capital requirements than those in the Basel III rules and will thus be well prepared to meet future EU capital requirements.

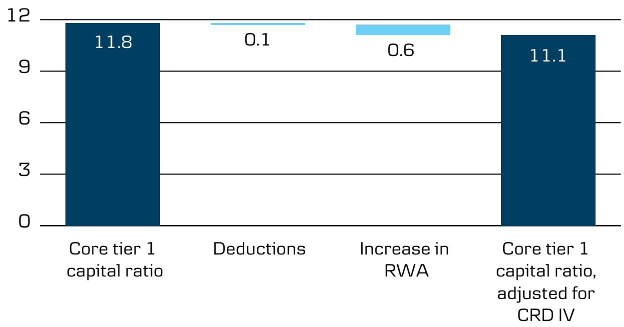
Fully phased-in CRD IV rules are estimated to reduce the Group's current core tier 1 capital ratio of 11.8% by about 0.7 of a percentage point.

The Group estimates that an increase in RWA because, for example, of higher capital requirements for counterparty risk will account for 0.6 of a percentage point of the reduction. Because of changes in market conditions, however, estimates of the increase in RWA may be relatively volatile over time.

The rest of the reduction in the core tier 1 capital ratio derives from deductions, primarily the expected deduction for net assets in defined benefit pension plans.

CORE TIER 1 CAPITAL RATIO, ADJUSTED FOR CRD IV

(%)



Under EU rules, the Group is defined as a financial conglomerate. Danica Pension is therefore included in the consolidated supervision of the Group. The Group uses the EU rules for financial conglomerates to calculate the deduction for its investment in Danica Pension. With CRD IV, the European Commission is proposing that national supervisory authorities may allow financial institutions to continue to use the conglomerate rules instead of the future deduction rules under CRD IV.

In early 2013, the EBA will make proposals to clarify the existing deduction rules under the Financial Conglomerates Directive. The European Commission is also expected to propose a major revision of the Financial Conglomerates Directive in 2013. The Danish rules for financial conglomerates' recognition of insurance subsidiaries in solvency statements may therefore be amended.

The estimated effect of CRD IV on the Group's capital position does not factor in a possible change in capital requirements for Danica Pension as a result of clarifications by the EBA or changes to the Financial Conglomerates Directive. Assuming that the current deduction of DKK 8.4 billion for the Group's investment in Danica Pension is made entirely from core tier 1 capital, the isolated reduction of the core tier 1 capital ratio is estimated to be 0.9 of a percentage point. Under current rules, the deduction for the investment in Danica Pension is made in equal parts from tier 1 capital and tier 2 capital.

The deduction rules of the CRD IV proposal and Basel III for investments in insurance subsidiaries that are not part of financial conglomerates entail a deduction for the part of the investment that exceeds 10% of a credit institution's core tier 1 capital. If this approach were applied to the DKK 18.9 billion investment in Danica Pension, the isolated effect on the core tier 1 capital ratio would be a reduction of about 1.0 percentage point at the end of 2011.

As regards liquidity, the CRD IV proposal contains a definition of liquid assets under the short-term Liquidity Coverage Ratio (LCR) that is broader than the Basel III definition. This opens the possibility for Danish mortgage bonds to be included in the liquidity buffer in line with Danish government bonds and other bonds. The final criteria for LCR must be determined before the LCR becomes effective as a minimum requirement in 2015.

The Group considers it positive that the CRD IV proposal includes plans to postpone until 2016 the decision on whether to introduce long-term stable funding requirements, such as the Basel III Net Stable Funding Ratio (NSFR), in 2018. In November 2011, the G20 countries agreed on a set of international guidelines for the regulation and supervision of systemically important financial institutions (SIFIs).

According to the guidelines, SIFIs must have loss-absorbing capacity above the Basel III minimum requirements. A group of global SIFIs in the banking sector has been designated. They will be subject to stricter supervision and higher capital buffer requirements than those in Basel III.

As part of the political agreement on Bank Package 4 of September 2011, a committee will be set up to analyse, on the basis of future EU regulations, the criteria that a bank must meet in order to be considered a Danish SIFI. The committee will also set forth the requirements that will be placed on Danish SIFIs and the instruments that can be used for SIFIs that encounter difficulties.

Against this background, the Group expects that it will be considered a Danish SIFI. Its position is that any requirements placed upon SIFIs in Denmark must be based on a set of clear international rules in order to avoid competitive distortions because of local differences in the treatment of SIFIs.

BUSINESS UNITS

RETAIL BANKING DENMARK (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	12,269	12,733	96	3,172	3,179	3,046	2,872
Net fee income	3,214	3,452	93	814	769	798	833
Net trading income	649	465	140	184	152	140	173
Other income	444	449	99	101	65	174	104
Total income	16,576	17,099	97	4,271	4,165	4,158	3,982
State guarantee commission (Bank Package 1)	-	1,632	-	-	-	-	-
Other expenses	8,841	8,691	102	2,318	2,011	2,308	2,204
Expenses	8,841	10,323	86	2,318	2,011	2,308	2,204
Profit before loan impairment charges	7,735	6,776	114	1,953	2,154	1,850	1,778
Impairment charges under the state guarantee	-	1,393	-	-	-	-	-
Other loan impairment charges	4,316	6,256	69	1,667	1,117	742	790
Loan impairment charges	4,316	7,649	56	1,667	1,117	742	790
Profit before tax	3,419	-873	-	286	1,037	1,108	988
Loans and advances (end of period)	967,672	961,686	101	967,672	963,637	950,340	945,213
Allowance account, total (end of period)	18,180	19,089	95	18,180	17,185	16,660	15,385
Deposits (end of period)	275,995	281,698	98	275,995	281,261	282,927	280,929
Bonds issued by Realkredit Danmark (end of period)	729,373	728,129	100	729,373	717,175	699,902	695,416
Allocated capital (avg.)	43,032	34,233	126	45,494	45,073	44,901	36,662
Profit before loan impairment charges as % p.a. of allocated capital	18.0	19.8		17.2	19.1	16.5	19.4
Pre-tax profit as % p.a. of allocated capital (ROE)	7.9	-2.6		2.5	9.2	9.9	10.8
Cost/income ratio (%)	53.3	60.4		54.3	48.3	55.5	55.3

RETAIL BANKING FINLAND (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	2,108	2,024	104	577	529	512	490
Net fee income	993	981	101	252	240	252	249
Net trading income	91	82	111	18	41	13	19
Other income	389	373	104	77	81	147	84
Total income	3,581	3,460	103	924	891	924	842
Expenses	3,228	3,102	104	857	730	822	819
Profit before loan impairment charges	353	358	99	67	161	102	23
Loan impairment charges	187	91	205	130	62	-34	29
Profit before tax	166	267	62	-63	99	136	-6
Profit before tax in local currency (EUR)	22	36	61	-9	14	18	-1
Loans and advances (end of period)	150,484	140,587	107	150,484	148,387	146,803	142,693
Allowance account, total (end of period)	1,974	2,036	97	1,974	2,198	1,890	1,935
Deposits (end of period)	105,256	97,314	108	105,256	104,568	102,431	102,984
Allocated capital (avg.)	6,388	4,722	135	6,907	6,803	6,633	5,210
Profit before loan impairment charges as % p.a. of allocated capital	5.5	7.6		3.9	9.5	6.2	1.8
Pre-tax profit as % p.a. of allocated capital (ROE)	2.6	5.7		-3.6	5.8	8.2	-0.5
Cost/income ratio (%)	90.1	89.7		92.7	81.9	89.0	97.3

RETAIL BANKING SWEDEN (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	2,440	2,078	117	686	596	589	569
Net fee income	577	604	96	125	148	147	157
Net trading income	137	119	115	33	33	39	32
Other income	71	46	154	16	14	26	15
Total income	3,225	2,847	113	860	791	801	773
Expenses	1,716	1,516	113	460	396	446	414
Profit before loan impairment charges	1,509	1,331	113	400	395	355	359
Loan impairment charges	202	114	177	155	-4	5	46
Profit before tax	1,307	1,217	107	245	399	350	313
Profit before tax in local currency (SEK)	1,584	1,553	102	299	491	423	371
Loans and advances (end of period)	185,418	178,715	104	185,418	180,317	182,218	182,866
Allowance account, total (end of period)	1,226	1,193	103	1,226	1,101	1,161	1,233
Deposits (end of period)	73,072	72,762	100	73,072	65,301	66,719	68,208
Allocated capital (avg.)	10,002	6,900	145	10,531	10,552	10,596	8,329
Profit before loan impairment charges as % p.a. of allocated capital	15.1	19.3		15.2	15.0	13.4	17.2
Pre-tax profit as % p.a. of allocated capital (ROE)	13.1	17.6		9.3	15.1	13.2	15.0
Cost/income ratio (%)	53.2	53.2		53.5	50.1	55.7	53.6

RETAIL BANKING NORWAY (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	1,553	1,704	91	404	389	378	382
Net fee income	255	299	85	68	57	64	66
Net trading income	125	117	107	43	30	26	26
Other income	631	560	113	159	155	172	145
Total income	2,564	2,680	96	674	631	640	619
Expenses	1,848	1,725	107	490	434	461	463
Profit before loan impairment charges	716	955	75	184	197	179	156
Loan impairment charges	380	94	-	109	131	16	124
Profit before tax	336	861	39	75	66	163	32
Profit before tax in local currency (NOK)	348	923	38	77	67	170	34
Loans and advances (end of period)	132,102	124,774	106	132,102	129,799	130,249	125,488
Allowance account, total (end of period)	1,474	1,469	100	1,474	1,730	1,610	1,583
Deposits (end of period)	60,223	54,101	111	60,223	56,749	56,799	54,150
Allocated capital (avg.)	7,037	5,254	134	7,596	7,521	7,290	5,740
Profit before loan impairment charges as % p.a. of allocated capital	10.2	18.2		9.7	10.5	9.8	10.9
Pre-tax profit as % p.a. of allocated capital (ROE)	4.8	16.4		3.9	3.5	8.9	2.2
Cost/income ratio (%)	72.1	64.4		72.7	68.8	72.0	74.8

BANKING ACTIVITIES NORTHERN IRELAND (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	1,141	1,188	96	296	297	278	270
Net fee income	316	306	103	85	80	82	69
Net trading income	119	85	140	24	28	41	26
Other income	11	18	61	3	3	3	2
Total income	1,587	1,597	99	408	408	404	367
Expenses	1,267	1,183	107	425	254	323	265
Profit before loan impairment charges	320	414	77	-17	154	81	102
Loan impairment charges	2,178	1,247	175	524	719	606	329
Profit before tax	-1,858	-833	-	-541	-565	-525	-227
Profit before tax in local currency (GBP)	-217	-95	-	-61	-65	-64	-27
Loans and advances (end of period)	53,326	52,130	102	53,326	52,831	48,929	49,229
Allowance account, total (end of period)	5,083	3,078	165	5,083	4,702	3,856	3,319
Deposits (end of period)	55,060	53,166	104	55,060	53,540	49,408	50,917
Allocated capital (avg.)	2,108	1,888	112	2,087	2,156	2,246	1,944
Profit before loan impairment charges as % p.a. of allocated capital	15.2	21.9		-3.3	28.6	14.4	21.0
Pre-tax profit as % p.a. of allocated capital (ROE)	-88.1	-44.1		-103.7	-104.8	-93.5	-46.7
Cost/income ratio (%)	79.8	74.1		104.2	62.3	80.0	72.2

BANKING ACTIVITIES IRELAND (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	936	1,067	88	250	230	225	231
Net fee income	66	96	69	18	17	17	14
Net trading income	43	37	116	14	10	8	11
Other income	9	8	113	3	2	2	2
Total income	1,054	1,208	87	285	259	252	258
Expenses	718	844	85	186	171	182	179
Profit before loan impairment charges	336	364	92	99	88	70	79
Loan impairment charges	6,334	4,969	127	1,623	1,578	1,850	1,283
Profit before tax	-5,998	-4,605	-	-1,524	-1,490	-1,780	-1,204
Profit before tax in local currency (EUR)	-805	-618	-	-205	-200	-239	-161
Loans and advances (end of period)	63,728	70,233	91	63,728	66,657	67,861	69,251
Allowance account, total (end of period)	13,820	9,564	145	13,820	14,123	12,555	10,692
Deposits (end of period)	37,787	39,416	96	37,787	37,462	37,921	42,446
Allocated capital (avg.)	3,162	2,796	113	3,142	3,271	3,448	2,788
Profit before loan impairment charges as % p.a. of allocated capital	10.6	13.0		12.6	10.8	8.1	11.3
Pre-tax profit as % p.a. of allocated capital (ROE)	-189.7	-164.7		-194.0	-182.2	-206.5	-172.7
Cost/income ratio (%)	68.1	69.9		65.3	66.0	72.2	69.4

BANKING ACTIVITIES BALTICS (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	478	503	95	115	123	119	121
Net fee income	151	155	97	42	38	38	33
Net trading income	94	98	96	29	22	22	21
Other income	9	9	100	2	2	3	2
Total income	732	765	96	188	185	182	177
Expenses	366	353	104	102	83	93	88
Profit before loan impairment charges	366	412	89	86	102	89	89
Loan impairment charges	-255	207	-	-99	-23	-93	-40
Profit before tax	621	205	-	185	125	182	129
Loans and advances (end of period)	20,501	23,833	86	20,501	21,444	22,254	23,198
Allowance account, total (end of period)	2,244	2,892	78	2,244	2,522	2,569	2,817
Deposits (end of period)	19,530	20,521	95	19,530	20,137	20,822	20,138
Allocated capital (avg.)	1,311	1,149	114	1,348	1,352	1,392	1,153
Profit before loan impairment charges as % p.a. of allocated capital	27.9	35.9		25.5	30.2	25.6	30.9
Pre-tax profit as % p.a. of allocated capital (ROE)	47.4	17.8		54.9	37.0	52.3	44.8
Cost/income ratio (%)	50.0	46.1		54.3	44.9	51.1	49.7

PROFIT BEFORE LOAN AND GOODWILL IMPAIRMENT CHARGES (DKK millions)							
Estonia	277	302	92	70	79	65	63
Latvia	8	-4	-	3	1	4	-
Lithuania	81	114	71	13	22	20	26
Total Banking Activities Baltics	366	412	89	86	102	89	89

OTHER BANKING ACTIVITIES (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	351	336	104	102	90	79	80
Net fee income	111	114	97	16	26	33	36
Net trading income	36	33	109	9	9	9	9
Other income	1,706	1,592	107	430	414	401	461
Total income	2,204	2,075	106	557	539	522	586
Expenses	1,761	1,683	105	456	433	418	454
Profit before loan impairment charges	443	392	113	101	106	104	132
Loan impairment charges	155	25	-	59	3	76	17
Profit before tax	288	367	78	42	103	28	115
Loans and advances (end of period)	16,833	16,126	104	16,833	17,095	16,318	16,661
Allowance account, total (end of period)	381	348	109	381	336	467	333
Deposits (end of period)	5,225	5,413	97	5,225	6,649	4,936	5,484
Allocated capital (avg.)	1,689	1,493	113	1,785	1,745	1,808	1,418
Profit before loan impairment charges as % p.a. of allocated capital	26.2	26.3		22.6	24.3	23.0	37.2
Pre-tax profit as % p.a. of allocated capital (ROE)	17.1	24.6		9.4	23.6	6.2	32.4
Cost/income ratio (%)	79.9	81.1		81.9	80.3	80.1	77.5

PROFIT BEFORE TAX (DKK millions)							
Nordania Leasing	108	20	-	14	27	22	45
Other non-Danish banking activities	180	347	52	28	76	6	70
Total Other Banking Activities	288	367	78	42	103	28	115

CORPORATE & INSTITUTIONAL BANKING (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	2,031	1,908	106	548	531	498	454
Net fee income	850	1,022	83	246	167	217	220
Net trading income	92	64	144	21	19	30	22
Other income	56	30	187	-	52	2	2
Total income	3,029	3,024	100	815	769	747	698
Expenses	1,056	1,267	83	243	276	263	274
Profit before loan impairment charges	1,973	1,757	112	572	493	484	424
Loan impairment charges	744	25	-	649	-31	-20	146
Profit before tax	1,229	1,732	71	-77	524	504	278
Loans and advances (end of period)	108,769	102,578	106	108,769	108,034	103,483	102,550
Allowance account, total (end of period)	1,455	935	156	1,455	589	1,085	1,102
Deposits (end of period)	69,333	71,754	97	69,333	67,957	68,990	72,800
Allocated capital (avg.)	11,393	8,962	127	12,284	11,909	11,698	9,682
Profit before loan impairment charges as % p.a. of allocated capital	17.3	19.6		18.6	16.6	16.5	17.5
Pre-tax profit as % p.a. of allocated capital (ROE)	10.8	19.3		-2.5	17.6	17.2	11.5
Cost/income ratio (%)	34.9	41.9		29.8	35.9	35.2	39.3

Since 1 January 2011, Corporate & Institutional Banking (CIB) has served the largest corporate customers and institutional clients, previously served by the Group's Nordic units, and provided corporate finance services previously offered by Danske Markets. The transfer of the corporate finance activities also involves the reallocation of annual income of about DKK 200 million and annual expenses of about DKK 150 million. Comparative figures have been restated.

DANSKE MARKETS AND TREASURY (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Total income	5,716	6,659	86	1,246	-106	2,049	2,527
Expenses	2,652	2,624	101	684	544	682	742
Profit before loan impairment charges	3,064	4,035	76	562	-650	1,367	1,785
Loan impairment charges	-1,033	-617	-	-52	-750	-396	165
Profit before tax	4,097	4,652	88	614	100	1,763	1,620
Due from credit institutions and reverse transactions (end of period)	330,068	396,581	83	330,068	300,496	340,381	349,064
Loans and advances (end of period)	44,330	48,665	91	44,330	46,407	40,671	42,602
Allowance account, total (end of period)	2,599	2,954	88	2,599	2,518	2,583	2,916
Net trading and investment portfolio (end of period)	423,235	350,990	121	423,235	442,221	408,688	357,452
Deposits (end of period)	97,412	102,777	95	97,412	96,768	101,854	97,840
Allocated capital (avg.)	8,883	4,964	179	10,693	10,435	8,303	6,099
Profit before loan impairment charges as % p.a. of allocated capital	34.5	81.3		21.0	-24.9	65.9	117.1
Pre-tax profit as % p.a. of allocated capital (ROE)	46.1	93.7		23.0	3.8	84.9	106.2
Cost/income ratio (%)	46.4	39.4		54.9	-	33.3	29.4

TOTAL INCOME (DKK millions)							
Danske Markets	5,305	5,944	89	1,428	218	1,389	2,270
Group Treasury	411	715	57	-182	-324	660	257
Total Danske Markets and Treasury	5,716	6,659	86	1,246	-106	2,049	2,527

DANSKE CAPITAL (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	119	120	99	31	33	28	27
Net fee income	1,795	1,707	105	566	399	410	420
Other income	66	46	143	17	10	15	24
Total income	1,980	1,873	106	614	442	453	471
Expenses	1,093	1,040	105	313	230	283	267
Profit before loan impairment charges	887	833	106	301	212	170	204
Loan impairment charges	-23	13	-	24	-	1	-48
Profit before tax	910	820	111	277	212	169	252
Loans and advances (end of period)	6,075	6,450	94	6,075	6,266	6,293	6,356
Allowance account, total (end of period)	168	211	80	168	161	163	160
Deposits (end of period)	5,700	5,869	97	5,700	6,584	6,424	6,075
Allocated capital (avg.)	311	291	107	336	319	315	273
Cost/income ratio (%)	55.2	55.5		51.0	52.0	62.5	56.7
Assets under management (DKK billions)	606	602	101	606	587	603	598

DANICA PENSION (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Danica Traditionel	1,120	1,126	99	298	275	283	264
Unit-linked business	269	327	82	24	66	89	90
Health and accident business	10	81	12	-23	21	13	-1
Return on investments	585	799	73	240	199	125	21
Financing result	-163	-130	-	-37	-48	-45	-33
Special allotment	-94	-641	-	56	-25	-62	-63
Change in shadow account	-1,158	584	-	418	-1,223	-142	-211
Net income from insurance business	569	2,146	27	976	-735	261	67
Premiums, insurance contracts	20,547	18,371	112	5,596	4,786	4,973	5,192
Premiums, investment contracts	6,730	5,778	116	1,681	1,016	2,076	1,957
Provisions, insurance contracts	243,304	233,062	104	243,304	236,708	233,336	232,363
Provisions, investment contracts	24,540	22,397	110	24,540	22,302	24,770	23,990
Customer funds, investment assets							
Danica Traditionel	188,699	188,057	100	188,699	185,849	182,456	183,280
Danica Balance	28,596	21,752	131	28,596	25,527	25,410	23,313
Danica Link	47,201	44,509	106	47,201	42,622	46,438	45,655
Allocated capital (avg.)	7,362	5,732	128	9,048	8,778	5,822	5,800
Net income as % p.a. of allocated capital	7.7	37.4		43.1	-33.5	17.9	4.6

OTHER ACTIVITIES (DKK millions)	2011	2010	Index 11/10	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Net interest income	111	182	61	1	19	33	58
Net fee income	-30	-37	-	-14	-3	-9	-4
Net trading income	158	-91	-	-1	19	54	86
Other income	321	790	41	59	37	41	184
Total income	560	844	66	45	72	119	324
Expenses	1,441	350	-	-75	-63	397	1,182
Profit before loan impairment charges	-881	494	-	120	135	-278	-858
Loan impairment charges	-	-	-	-	-	-	-
Profit before tax	-881	494	-	120	135	-278	-858

PROFIT BEFORE TAX (DKK millions)							
Real property	266	283	94	61	74	80	51
Own shares	274	-84	-	22	94	99	59
Other, including Group support functions	-1,421	295	-	37	-33	-457	-968
Total Other Activities	-881	494	-	120	135	-278	-858

INCOME STATEMENT – DANSKE BANK GROUP

(DKK millions)	2011	2010
Interest income	80,819	79,625
Interest expense	47,478	43,642
Net interest income	33,341	35,983
Fee income	11,760	11,803
Fee expenses	4,034	3,714
Net trading income	-3,326	5,984
Other income	5,469	4,798
Net premiums	20,475	18,253
Net insurance benefits	18,705	26,172
Income from associates	125	84
Profit on sale of associates and group undertakings	16	659
Staff costs and administrative expenses	24,280	24,014
Amortisation, depreciation and impairment charges	3,451	3,397
Profit before loan impairment charges	17,390	20,267
Loan impairment charges	13,185	13,817
Profit before tax	4,205	6,450
Tax	2,482	2,786
Net profit for the year	1,723	3,664

Portion attributable to		
shareholders of Danske Bank A/S (the Parent Company)	1,712	3,661
non-controlling interests	11	3
Net profit for the year	1,723	3,664
Earnings per share (DKK)	1.9	4.9
Diluted earnings per share (DKK)	1.9	4.9
Proposed dividend per share (DKK)	-	-

Earnings per share and diluted earnings per share have been divided by a factor of 1.0807 to reflect the share capital increase in April 2011.

STATEMENT OF COMPREHENSIVE INCOME – DANSKE BANK GROUP

(DKK millions)	2011	2010
Net profit for the year	1,723	3,664
Other comprehensive income		
Translation of units outside Denmark	223	1,009
Hedging of units outside Denmark	-273	-961
Unrealised value adjustments of available-for-sale financial assets	-951	-145
Realised value adjustments of available-for-sale financial assets	28	44
Tax on other comprehensive income	285	242
Total other comprehensive income	-688	189
Total comprehensive income for the year	1,035	3,853

Portion attributable to		
shareholders of Danske Bank A/S (the Parent Company)	1,024	3,850
non-controlling interests	11	3
Total comprehensive income for the year	1,035	3,853

BALANCE SHEET – DANSKE BANK GROUP

(DKK millions)	2011	2010
ASSETS		
Cash in hand and demand deposits with central banks	28,617	35,403
Due from credit institutions and central banks	180,870	228,100
Trading portfolio assets	909,755	641,993
Investment securities	109,264	118,556
Loans and advances at amortised cost	1,126,482	1,146,731
Loans at fair value	720,741	701,715
Assets under pooled schemes and unit-linked investment contracts	61,888	59,698
Assets under insurance contracts	230,668	217,515
Holdings in associates	989	1,040
Intangible assets	22,233	22,936
Investment property	4,624	4,799
Tangible assets	7,267	7,861
Current tax assets	580	1,404
Deferred tax assets	1,791	1,693
Other assets	18,634	24,442
Total assets	3,424,403	3,213,886
LIABILITIES		
Due to credit institutions and central banks	393,388	317,988
Trading portfolio liabilities	697,913	478,386
Deposits	848,994	861,053
Bonds issued by Realkredit Danmark	557,699	555,486
Deposits under pooled schemes and unit-linked investment contracts	69,211	67,277
Liabilities under insurance contracts	248,966	238,132
Other issued bonds	366,920	450,219
Current tax liabilities	423	858
Deferred tax liabilities	6,278	6,003
Other liabilities	41,428	56,406
Subordinated debt	67,328	77,336
Total liabilities	3,298,548	3,109,144
SHAREHOLDERS' EQUITY		
Share capital	9,317	6,988
Foreign currency translation reserve	-186	-136
Reserve for available-for-sale financial assets	-2,253	-1,330
Retained earnings	118,917	99,205
Proposed dividends	-	-
Shareholders of Danske Bank A/S (the Parent Company)	125,795	104,727
Non-controlling interests	60	15
Total shareholders' equity	125,855	104,742
Total liabilities and equity	3,424,403	3,213,886

STATEMENT OF CAPITAL – DANSKE BANK GROUP

(DKK millions)

Changes in shareholders' equity

	Shareholders of Danske Bank A/S (the Parent Company)							
	Share capital	Foreign currency translation reserve	Reserve for available-for-sale assets	Retained earnings	Proposed dividends	Total	Non-controlling interests	Total
Shareholders' equity at 1 January 2011	6,988	-136	-1,330	99,205	-	104,727	15	104,742
Net profit for the year	-	-	-	1,712	-	1,712	11	1,723
Other comprehensive income								
Translation of units outside Denmark	-	223	-	-	-	223	-	223
Hedging of units outside Denmark	-	-273	-	-	-	-273	-	-273
Unrealised value adjustments of available-for-sale financial assets	-	-	-951	-	-	-951	-	-951
Realised value adjustments of available-for-sale financial assets	-	-	28	-	-	28	-	28
Tax on other comprehensive income	-	-	-	285	-	285	-	285
Total other comprehensive income	-	-50	-923	285	-	-688	-	-688
Total comprehensive income for the year	-	-50	-923	1,997	-	1,024	11	1,035
Transactions with owners								
Share capital increase	2,329	-	-	17,703	-	20,032	-	20,032
Share offering costs	-	-	-	-271	-	-271	-	-271
Acquisition of own shares	-	-	-	-16,470	-	-16,470	-	-16,470
Sale of own shares	-	-	-	16,596	-	16,596	-	16,596
Share-based payments	-	-	-	127	-	127	-	127
Acquisition of non-controlling interests	-	-	-	-	-	-	34	34
Tax on entries on shareholders' equity	-	-	-	30	-	30	-	30
Shareholders' equity at 31 December 2011	9,317	-186	-2,253	118,917	-	125,795	60	125,855
Shareholders' equity at 1 January 2010	6,988	-184	-1,229	95,084	-	100,659	-	100,659
Net profit for the year	-	-	-	3,661	-	3,661	3	3,664
Other comprehensive income								
Translation of units outside Denmark	-	1,009	-	-	-	1,009	-	1,009
Hedging of units outside Denmark	-	-961	-	-	-	-961	-	-961
Unrealised value adjustments of available-for-sale financial assets	-	-	-145	-	-	-145	-	-145
Realised value adjustments of available-for-sale financial assets	-	-	44	-	-	44	-	44
Tax on other comprehensive income	-	-	-	242	-	242	-	242
Total other comprehensive income	-	48	-101	242	-	189	-	189
Total comprehensive income for the year	-	48	-101	3,903	-	3,850	3	3,853
Transactions with owners								
Acquisition of own shares	-	-	-	-19,195	-	-19,195	-	-19,195
Sale of own shares	-	-	-	19,316	-	19,316	-	19,316
Share-based payments	-	-	-	154	-	154	-	154
Acquisition of non-controlling interests	-	-	-	-	-	-	12	12
Tax on entries on shareholders' equity	-	-	-	-57	-	-57	-	-57
Shareholders' equity at 31 December 2010	6,988	-136	-1,330	99,205	-	104,727	15	104,742

For as long as the Danish state holds hybrid capital in Danske Bank and guarantees bond issues, Danske Bank A/S may distribute dividends if such dividends can be paid in full out of the net profit.

STATEMENT OF CAPITAL – DANSKE BANK GROUP

(DKK millions)	2011	2010
Earnings per share		
Net profit for the year	1,712	3,661
Number of shares issued at 1 January	698,804,276	698,804,276
Average number of own shares held by the Group	6,115,822	7,271,671
Average number of shares outstanding prior to capital increase	692,688,454	691,532,605
Average number of shares issued through capital increase	171,669,726	-
Bonus element of rights issue in capital increase, number of shares	14,823,492	56,360,151
Adjusted average number of shares outstanding after capital increase	879,181,672	747,892,756
Number of dilutive shares issued for share-based payments	-	-
Adjusted average number of shares outstanding after capital increase, including dilutive shares	879,181,672	747,892,756
Earnings per share (DKK)	1.9	4.9
Diluted earnings per share (DKK)	1.9	4.9

Earnings per share and diluted earnings per share have been divided by a factor of 1.0807 to reflect the share capital increase in April 2011.

The share capital consists of shares of a nominal value of DKK 10 each. All shares carry the same rights; there is thus only one class of shares.

	2011	2010
Number of shares outstanding		
Issued at 31 December	931,739,034	698,804,276
Group holding of own shares	4,627,536	7,013,181
Shares outstanding at 31 December	927,111,498	691,791,095

Holding of own shares	Number 2011	Number 2010	Value 2011	Value 2010
Trading portfolio	540,255	3,364,430	39	481
Investment on behalf of customers	4,087,281	3,648,751	299	522
Total	4,627,536	7,013,181	338	1,003

	Trading portfolio	Investment on behalf of customers	Total 2011	Total 2010
Holding at 1 January	481	522	1,003	1,020
Acquisition of own shares	16,200	270	16,470	19,195
Sale of own shares	16,375	221	16,596	19,316
Value adjustment	-267	-272	-539	104
Holding at 31 December	39	299	338	1,003

The Board of Directors is authorised to let Danske Bank acquire own shares up to a total nominal amount of 10% of Danske Bank's share capital. The shares may be held for ownership or provided as collateral. If shares are acquired for ownership, the acquisition price may not deviate by more than 10% from the price quoted at the time of acquisition.

STATEMENT OF CAPITAL – DANSKE BANK GROUP

(DKK millions)	2011	2010
Capital base and total capital ratio		
Shareholders' equity	125,855	104,742
Revaluation of domicile property at fair value	1,281	1,253
Pension obligations at fair value	348	-73
Tax effect	-58	2
Reserves in undertakings consolidated on a pro rata basis	2,991	3,002
Shareholders' equity calculated in accordance with the rules of the Danish FSA	130,417	108,926
Expected dividends	-	-
Intangible assets of banking operations	-22,127	-22,666
Deferred tax assets	-1,600	-1,548
Deferred tax on intangible assets	923	1,069
Revaluation of domicile property	-743	-675
Other statutory deductions	-44	-
Core tier 1 capital	106,826	85,106
Hybrid capital	42,366	42,208
Difference between expected losses and impairment charges	-	-
Statutory deduction for insurance subsidiaries	-4,175	-2,422
Other statutory deductions	-	-55
Tier 1 capital	145,017	124,837
Subordinated debt, excluding hybrid capital	20,480	26,710
Hybrid capital	-	-
Revaluation of domicile property	743	675
Difference between expected losses and impairment charges	-	-
Statutory deduction for insurance subsidiaries	-4,175	-2,422
Other statutory deductions	-	-55
Capital base	162,065	149,745
Risk-weighted assets	905,979	844,209
Core tier 1 capital ratio (%)	11.8	10.1
Tier 1 capital ratio (%)	16.0	14.8
Total capital ratio (%)	17.9	17.7

The total capital and tier 1 capital ratios are calculated in accordance with the Capital Requirements Directive.

Risk Management 2011 provides more details about the Group's solvency need. Risk Management 2011 is not covered by the statutory audit.

Supplementary information

Danske Bank will hold a press conference and a conference call on 9 February 2012 upon the presentation of its annual report for 2011. The press conference is scheduled for 11.00am CET, and the conference call for 3.30pm CET. The conference call will be webcast live at www.danskebank.com.

FINANCIAL CALENDAR	
27 March 2012	Annual general meeting
10 May 2012	Interim Report – First Quarter 2012
7 August 2012	Interim Report – First Half 2012
30 October 2012	Interim Report – First Nine Months 2012
7 February 2013	Annual Report 2012
18 March 2013	Annual general meeting
7 May 2013	Interim Report – First Quarter 2013

CONTACTS	
Peter Straarup Chief Executive Officer	+45 45 14 60 01
Henrik Ramlau-Hansen Chief Financial Officer	+45 45 14 06 66
Martin Gottlob Head of Investor Relations	+45 45 14 07 92

LINKS	
The Danske Bank Group	www.danskebank.com
Retail Banking Denmark	www.danskebank.dk
Retail Banking Finland	www.sampobank.com
Retail Banking Sweden	www.danskebank.se
Retail Banking Norway	www.fokus.no
Banking Activities Northern Ireland	www.northernbank.co.uk
Banking Activities Ireland	www.nationalirishbank.ie
Realkredit Danmark	www.rd.dk
Danske Capital	www.danskecapital.com
Danica Pension	www.danicapension.dk

More information about the Group's financial results is available at www.danskebank.com/reports.