

To the editor

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1 August 2013

Danske Bank reports net profit of DKK 3.7 billion (EUR 490.2 million) for the first half of 2013

Danske Bank has announced its financial results for the first half of 2013.

“Our New Standards strategy is only six months old,” says Eivind Kolding, Chief Executive Officer. “The changes are comprehensive and will take time to implement, but we have set the right course and have already made good progress. We are pleased that impairments have declined to the lowest level since the second quarter of 2008 and costs are well contained while we are investing in developing new products, upgrading the skills of our staff and simplifying processes. The result is a considerable improvement compared with the same period in 2012 and an important step towards our 2015 objectives. The difficult macroeconomic environment with low interest rate levels combined with the volatility in the financial markets in June, however, have led us to revise our guidance for full-year 2013.”

The interim report is available at www.danskebank.com. Highlights are shown below:

First half 2013 vs first half 2012

- Profit before tax from core activities amounted to DKK 5.7 billion (EUR 764.5 million). The net profit was DKK 3.7 billion (EUR 490.2 million), up 61%.
- Total income amounted to DKK 20 billion (EUR 2,681.8 million), down 15%. The main reasons for the decline were lower net trading income and net income from insurance business.
- Expenses fell 4% to DKK 11.9 billion (EUR 1,597.8 million).
- Impairments in core activities fell 48% to DKK 2.4 billion (EUR 319.5 million), as Personal Banking, Business Banking and Corporates & Institutions saw lower impairments.
- Impairments in Non-core activities fell from DKK 2.4 billion (EUR 327.3 million) to DKK 0.8 billion (EUR 102.7 million), reflecting lower impairments on the commercial property portfolio.

- Total lending was down 3% from the level at the end of 2012, whereas total deposits largely matched the level at the end of 2012.
- The core tier 1 capital and total capital ratios were solid at 15.6% and 21.8%, against 14.5% and 21.3% at the end of 2012.

Second quarter 2013 vs first quarter 2013

- In the second quarter of 2013, Danske Bank posted a profit before tax from core activities of DKK 2.9 billion (EUR 393.8 million). The net profit was DKK 2.2 billion (EUR 292.8 million), up 48%.
- Total income amounted to DKK 9.9 billion (EUR 1,323.8 million), down 3%. The decline in total income was caused by lower net income from insurance business, as the financial market turbulence in June had a significantly adverse effect on the insurance result.
- Expenses amounted to DKK 6.0 billion (EUR 806.2 million), the same level as in the first quarter.
- Impairments in core activities declined 37% to DKK 0.9 billion (EUR 123.9 million). Impairments related mostly to Danish personal customers, commercial property customers, and agricultural customers.

Outlook

The turbulence on the financial markets in June affected net trading income and net income from insurance business. This has led Danske Bank to revise its guidance for the 2013 net profit from DKK 7.5-10.0 billion (EUR 1,005-1,340 million) to DKK 6.5-9.0 billion (EUR 871.5-1,206.6 million).

Danske Bank

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The interim report will be presented at a **press conference at 10am CET**. Danske Bank will hold a **conference call at 2.30pm CET**. The press conference and conference call will be webcast live at www.danskebank.com.

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

This is a translation of a press release in the Danish language. In case of discrepancies, the Danish version prevails. Danish kroner translated into euros at an exchange rate of 1:7.4588. The unrevised net profit range is translated into euros at an exchange rate at 31 December 2012 of 1:7.4604.