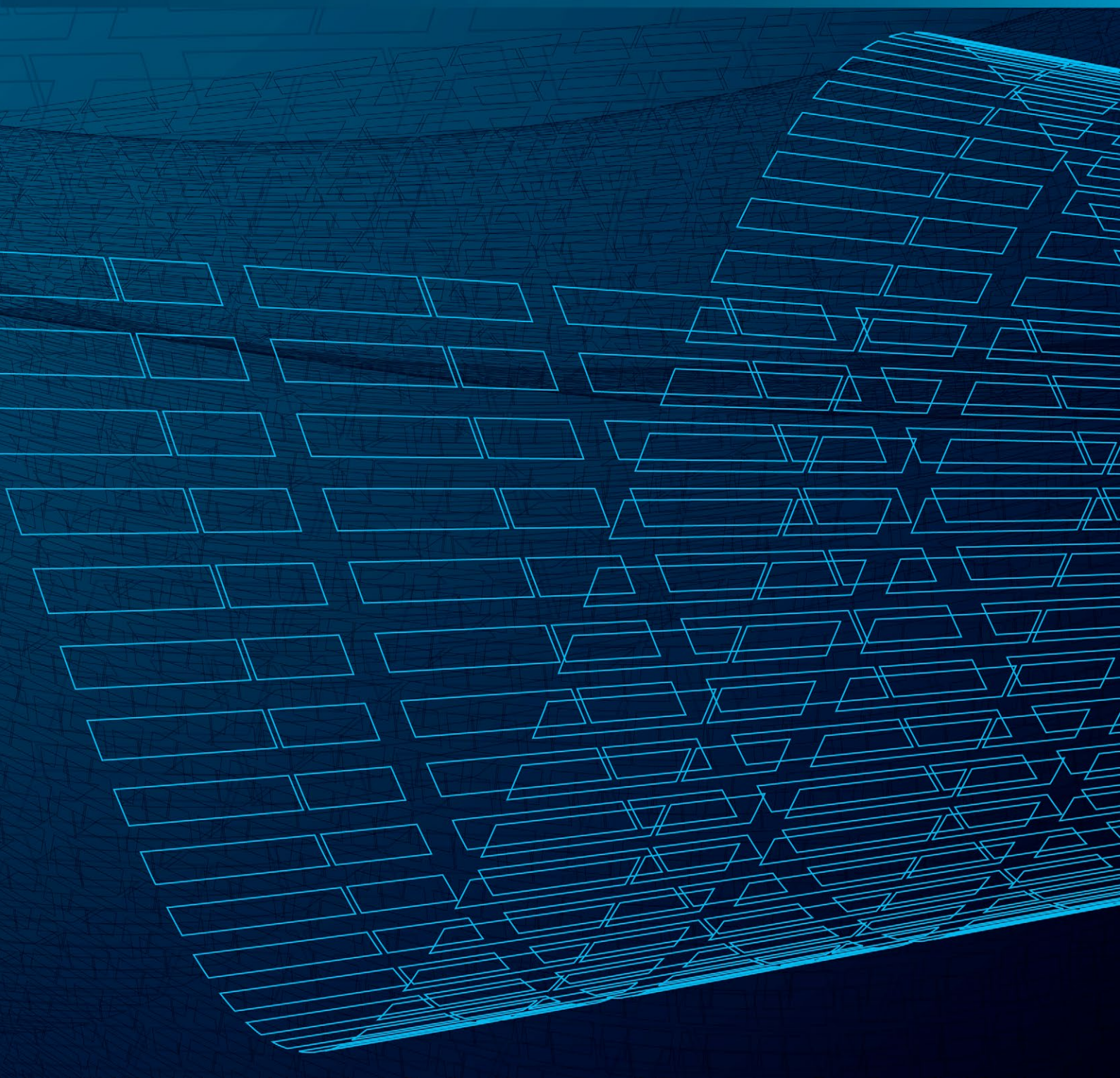


DANSKE BANK GROUP

INTERIM REPORT FIRST HALF 2013

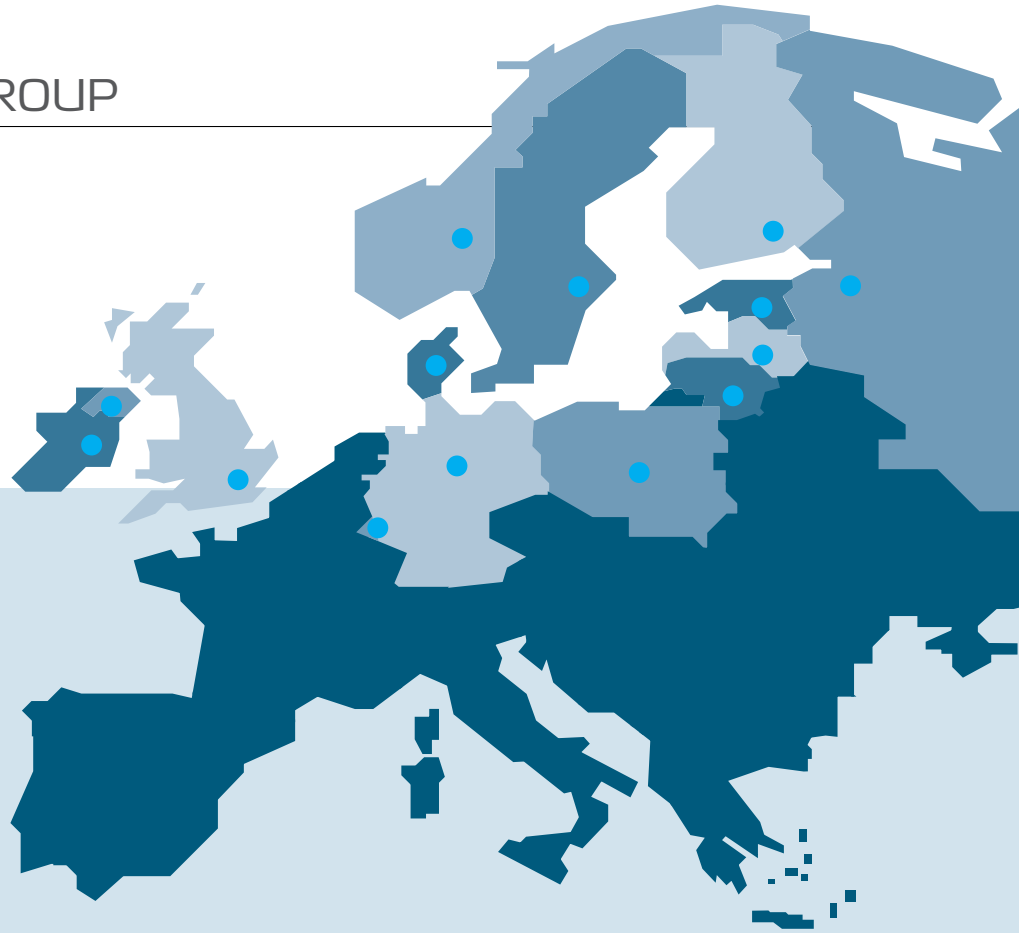


Danske Bank



DANSKE BANK GROUP

15 countries
409 branches
19,981 employees
5,000,000 customers



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FINANCIAL HIGHLIGHTS - DANSKE BANK GROUP

| INCOME STATEMENT (DKK millions) | Q2 2013 | Q1 2013 | Index Q2/Q1 | First half 2013 | First half 2012 | Index 13/12 | Q2 2012 | Index Q2 13/12 | Full year 2012 |
|---|------------|------------|----------------|--------------------|--------------------|----------------|------------|-------------------|-------------------|
| Net interest income | 5,504 | 5,452 | 101 | 10,956 | 11,367 | 96 | 5,717 | 96 | 22,778 |
| Net fee income | 2,205 | 2,265 | 97 | 4,470 | 4,061 | 110 | 2,049 | 108 | 8,866 |
| Net trading income | 2,154 | 1,775 | 121 | 3,929 | 6,533 | 60 | 2,895 | 74 | 10,562 |
| Other income | 357 | 296 | 121 | 653 | 646 | 101 | 325 | 110 | 1,285 |
| Net income from insurance business | -346 | 341 | - | -5 | 843 | - | 679 | - | 2,171 |
| Total income | 9,874 | 10,129 | 97 | 20,003 | 23,450 | 85 | 11,665 | 85 | 45,662 |
| Expenses | 6,013 | 5,905 | 102 | 11,918 | 12,371 | 96 | 6,047 | 99 | 24,642 |
| Profit before loan impairment charges | 3,861 | 4,224 | 91 | 8,085 | 11,079 | 73 | 5,618 | 69 | 21,020 |
| Loan impairment charges | 924 | 1,459 | 63 | 2,383 | 4,598 | 52 | 1,685 | 55 | 7,680 |
| Profit before tax, core | 2,937 | 2,765 | 106 | 5,702 | 6,481 | 88 | 3,933 | 75 | 13,340 |
| Profit before tax, Non-core | -260 | -549 | - | -809 | -2,406 | - | -1,433 | - | -4,801 |
| Profit before tax | 2,677 | 2,216 | 121 | 4,893 | 4,075 | 120 | 2,500 | 107 | 8,539 |
| Tax | 493 | 744 | 66 | 1,237 | 1,802 | 69 | 1,005 | 49 | 3,814 |
| Net profit for the period | 2,184 | 1,472 | 148 | 3,656 | 2,273 | 161 | 1,495 | 146 | 4,725 |
| Attributable to non-controlling interests | - | - | - | - | -1 | - | -1 | - | 4 |

Changes have been made to the highlights for 2012 as presented in note 1.

| BALANCE SHEET (END OF PERIOD) (DKK millions) | | | | | | | | | |
|---|-----------|-----------|-----|-----------|-----------|-----|-----------|-----|-----------|
| Due from credit institutions and central banks | 85,354 | 106,604 | 80 | 85,354 | 72,626 | 118 | 72,626 | 118 | 113,657 |
| Repo loans | 338,461 | 311,843 | 109 | 338,461 | 341,600 | 99 | 341,600 | 99 | 307,177 |
| Loans and advances | 1,589,768 | 1,636,813 | 97 | 1,589,768 | 1,662,441 | 96 | 1,662,441 | 96 | 1,640,656 |
| Trading portfolio assets | 721,484 | 831,668 | 87 | 721,484 | 862,961 | 84 | 862,961 | 84 | 812,966 |
| Investment securities | 121,526 | 113,643 | 107 | 121,526 | 105,480 | 115 | 105,480 | 115 | 107,724 |
| Assets under insurance contracts | 239,839 | 241,838 | 99 | 239,839 | 237,717 | 101 | 237,717 | 101 | 241,343 |
| Assets in Non-core | 30,361 | 31,844 | 95 | 30,361 | 41,696 | 73 | 41,696 | 73 | 33,100 |
| Other assets | 190,311 | 226,745 | 84 | 190,311 | 155,827 | 122 | 155,827 | 122 | 228,326 |
| Total assets | 3,317,104 | 3,500,998 | 95 | 3,317,104 | 3,480,348 | 95 | 3,480,348 | 95 | 3,484,949 |
| Due to credit institutions and central banks | 167,760 | 227,794 | 74 | 167,760 | 226,050 | 74 | 226,050 | 74 | 241,238 |
| Repo deposits | 346,678 | 355,185 | 98 | 346,678 | 407,625 | 85 | 407,625 | 85 | 359,276 |
| Deposits | 796,785 | 797,320 | 100 | 796,785 | 730,590 | 109 | 730,590 | 109 | 783,759 |
| Bonds issued by Realkredit Danmark | 616,457 | 623,133 | 99 | 616,457 | 596,837 | 103 | 596,837 | 103 | 614,325 |
| Other issued bonds | 342,280 | 347,289 | 99 | 342,280 | 316,967 | 108 | 316,967 | 108 | 340,005 |
| Trading portfolio liabilities | 455,351 | 544,406 | 84 | 455,351 | 628,008 | 73 | 628,008 | 73 | 531,860 |
| Liabilities under insurance contracts | 261,088 | 265,300 | 98 | 261,088 | 258,367 | 101 | 258,367 | 101 | 266,938 |
| Liabilities in Non-core | 5,232 | 4,687 | 112 | 5,232 | 5,454 | 96 | 5,454 | 96 | 4,831 |
| Other liabilities | 124,944 | 132,755 | 94 | 124,944 | 120,039 | 104 | 120,039 | 104 | 136,927 |
| Subordinated debt | 58,905 | 63,561 | 93 | 58,905 | 62,584 | 94 | 62,584 | 94 | 67,785 |
| Shareholders' equity | 141,624 | 139,568 | 101 | 141,624 | 127,827 | 111 | 127,827 | 111 | 138,004 |
| Total liabilities and equity | 3,317,104 | 3,500,998 | 95 | 3,317,104 | 3,480,348 | 95 | 3,480,348 | 95 | 3,484,949 |

| RATIOS AND KEY FIGURES | | | | | | | | | |
|---|--------|--------|--|--------|--------|--|--------|--|--------|
| Earnings per share (DKK) | 2.2 | 1.5 | | 3.7 | 2.5 | | 1.6 | | 5.1 |
| Diluted earnings per share (DKK) | 2.2 | 1.5 | | 3.7 | 2.5 | | 1.6 | | 5.1 |
| Return on avg. shareholders' equity (%) | 6.2 | 4.3 | | 5.2 | 3.6 | | 4.7 | | 3.7 |
| Return on avg. tangible equity (%) | 7.3 | 5.1 | | 6.1 | 4.4 | | 5.7 | | 4.4 |
| Net interest income as % p.a. of loans and deposits | 0.92 | 0.90 | | 0.92 | 0.95 | | 0.96 | | 0.94 |
| Cost/income ratio (%) | 60.9 | 58.3 | | 59.6 | 52.8 | | 51.8 | | 54.0 |
| Total capital ratio (%) | 21.8 | 21.6 | | 21.8 | 17.7 | | 17.7 | | 21.3 |
| Core tier 1 capital ratio (%) | 15.6 | 15.1 | | 15.6 | 12.1 | | 12.1 | | 14.5 |
| Share price (end of period) (DKK) | 98.0 | 104.0 | | 98.0 | 81.4 | | 81.4 | | 95.7 |
| Book value per share (DKK) | 140.5 | 135.3 | | 139.9 | 138.4 | | 138.4 | | 137.9 |
| Full-time-equivalent staff (end of period) | 19,981 | 20,184 | | 19,981 | 20,997 | | 20,997 | | 20,308 |

FINANCIAL SUMMARY AND OUTLOOK FOR 2013

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON EQUITY AFTER TAX INCREASED 1.9 PERCENTAGE POINTS TO 6.2%
- PROFIT BEFORE TAX FROM CORE ACTIVITIES INCREASED 6% TO DKK 2.9 BILLION
- TOTAL INCOME FELL 3%
- EXPENSES EQUALLED THE LEVEL IN Q1
- IMPAIRMENTS IN CORE ACTIVITIES DECLINED 37% TO DKK 0.9 BILLION
- LENDING FELL 3%, WHILE DEPOSITS LARGELY EQUALLED THE LEVEL AT THE END OF Q1
- THE CORE TIER 1 AND TOTAL CAPITAL RATIOS ROSE TO 15.6% AND 21.8%, AGAINST 15.1% AND 21.6% AT THE END OF Q1
- GUIDANCE FOR FULL-YEAR 2013 NET PROFIT REVISED FROM DKK 7.5-10.0 BILLION TO DKK 6.5-9.0 BILLION

“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.”

In the second quarter of 2013, Danske Bank posted a profit before tax of DKK 2.7 billion. Profit before tax from core activities was DKK 2.9 billion, an increase of 6% from the level in the first quarter. The result was acceptable given the market conditions.

Total income amounted to DKK 9.9 billion, down 3% from the first quarter. Net interest income increased slightly, even though lending volumes fell. Net fee income decreased, offsetting the increase in net interest income. 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. Trading income at Corporates & Institutions was down 18% from the first quarter because of the market turbulence. Total trading income rose as a result of value adjustments of unlisted equities.

Through a persistently strong effort to reduce costs, while investing in innovative products and solutions

and leaner processes, we managed to maintain an expense level of DKK 6.0 billion, similar to the level in the first quarter.

The first half of 2013 was affected by the persistently difficult macroeconomic conditions with very low interest rate levels and declining customer loan appetite. We are confident that our management actions, including the cost-reduction and pricing initiatives already under way, will contribute to significantly improved results over time.

Impairments in our core markets declined to DKK 0.9 billion, corresponding to a loan loss ratio of 0.19, which is the lowest level since the second quarter of 2008. We see signs of improving credit quality across our loan portfolios. Impairments related mostly to Danish personal customers, commercial property customers, and agricultural customers.

The Non-core business posted a loss before tax of DKK 0.3 billion, an improvement from the loss of DKK 0.5 billion in the first quarter. Most of the improvement was the result of a continued reduction of impairments.

Despite a difficult macroeconomic environment with very low interest rate levels, almost no growth in our main markets and the resulting decline in lending volumes, our results for the second quarter are an improvement on the first quarter and yet another step towards the required level of profitability. The turbulence on the financial markets in June, however, strongly affected Danica Pension's results and our trading income, increasing the downside risk. This has led us to revise our guidance for 2013 net profit from DKK 7.5-10.0 billion to DKK 6.5-9.0 billion.

Market conditions

Conditions in the financial markets

Market sentiment improved at the beginning of the year as the US averted the so-called fiscal cliff crisis just before the New Year. In Europe, improved economic indicators and the continued decline in interest rates in southern Europe supported the optimism. In the spring, the political crisis in Cyprus and the uncertainty associated with the general elections in Italy caused periods of deteriorating market sentiment, though.

Towards the end of the second quarter, market sentiment worsened, especially in the emerging markets and the peripheral euro zone. Weak indicators for the Chinese economy and the Fed's announcement that it would phase out its bond-buying programme later in the year were the main causes. Market sentiment has since improved on the strength of better economic indicators in Europe and more dovish announcements from central banks. Yields on the Danish bond markets have fluctuated somewhat in 2013 but rose towards the end of the period because of the gradual improvement in the euro zone.

Conditions in our home markets

After the drop in GDP at the end of 2012 and no growth in the first quarter of 2013, Denmark is expected to see improved economic activity in the remainder of 2013. Real wage growth, low interest rates and a more stable housing market are expected to lead to positive growth, while exports are not expected to increase significantly. There are many signs that unemployment will remain generally stable. The demand for financing has declined, as companies are reluctant to invest. We expect more normal growth in 2014, when exports are likely to grow.

The Swedish economy is expected to show sound growth, driven by domestic demand, in both 2013 and 2014. Interest rate cuts and an expansionary fiscal policy support economic growth. The housing market in Sweden is still at risk of overheating, though.

Norway is expected to benefit from a continuation of high oil prices, even though they have fallen somewhat and may fall more. The high prices

encourage high investment both in and outside the oil industry. Rising housing prices, which help consumer spending, also serve as a stimulus to the Norwegian economy.

The Finnish economy is expected to see economic contraction again in 2013 because of weak exports and a tight fiscal policy. Housing prices have been quite flat. We expect some improvement in 2014.

In Northern Ireland, we expect low but positive growth this year. Housing prices appear to have found their floor. Next year, growth is expected to return to its long-term average.

In line with the rest of the euro zone, Ireland is likely to see economic contraction in 2013. After a long period of heavy declines, housing prices have since mid-2012 stabilised some 50% below their peak. In 2014, growth is expected to recover to around 2% because of growth in export markets.

Outlook for 2013

We are revising our guidance for 2013 net profit from DKK 7.5-10.0 billion to DKK 6.5-9.0 billion. Although the positive effects of the management actions implemented, including cost-reduction measures, and the continued decline in total impairments meet management's expectations, they have been offset by the negative effects of turbulent financial markets and weak loan demand.

We expect total income to be below the level in 2012. Net interest income is expected to be slightly below the level in 2012. The negative effects of lower interest rate levels and weak loan demand more than offset the results of initiatives to lift interest income.

Net fee income is expected to be above the level in 2012 because of the management actions taken. Net trading income and insurance income at Danica Pension are expected to be well below the level in 2012 because of the general uncertainty on the financial markets.

Costs are expected to be below the level in 2012 as the positive effects of our ongoing cost-reduction initiatives will more than offset investments in new products and other offerings.

Total impairments are expected to fall well below the level in 2012, particularly at Business Banking Denmark and at the Non-core unit. We reaffirm our expectation that impairments at the Irish unit (core and Non-core) in 2013 and 2014 will amount to around DKK 2.5 billion.

This guidance is subject to uncertainty and depends on economic conditions.

OUR VISION AND MISSION

Vision:

Recognised as the most trusted financial partner

Mission:

Setting new standards in financial services



NEW STANDARDS STRATEGY

Where are we on setting new standards in financial services?

Our main objective is to earn the trust of our customers, as expressed in our vision to be recognised as the most trusted financial partner. Therefore we have embarked on a comprehensive and ambitious strategy, New Standards, that will fundamentally change the way we operate to reflect changes in customer expectations and thereby allow us to continue to deliver long-term value to both customers and shareholders. Four areas are key to our success:



CUSTOMER FOCUS



ADVISORY SERVICES



DIGITALISATION



OPENNESS & RESPONSIBILITY

These areas focus on our customers and their interaction with us while at the same time enabling us to pursue our ambition to create value for our shareholders. We have planned a number of actions and launched a range of projects aimed at enhancing the customer experience that will also strengthen our results. This section offers a general description of our efforts, and the individual business unit sections provide more details on the various management actions.

A core part of New Standards is tailoring our product offerings to the needs of each customer segment. Our efforts to become the most trusted financial partner entail stronger customer focus, strong knowledge of customers in each segment, and developing expertise and solutions tailored to their needs. We continually develop our product offerings so that they meet customers' needs while supporting the right risk-reward balance.

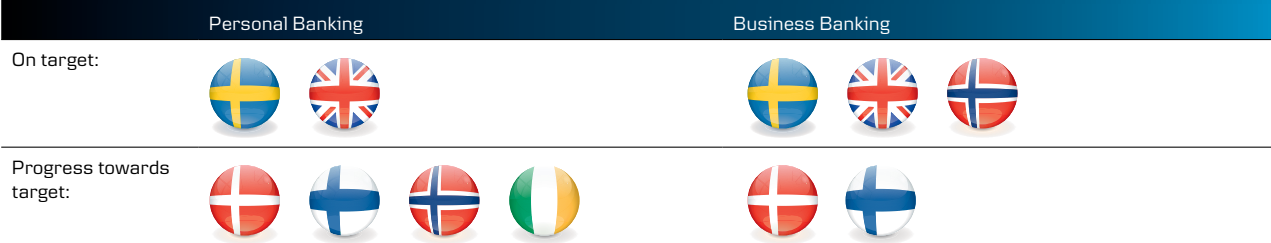
To support our customer relationships, we are making great efforts to optimise our processes, and this will also increase efficiency and reduce costs. In the first half of 2013, we launched a comprehensive Lean programme called "Think Simple". The goal is to optimise

processes and workflows to provide customers with quick and easy access to our products and services. For example, we launched several digital solutions for personal and business customers and optimised the process for car loans and credit card issuance. Many more projects are under way, and we expect "Think Simple" to significantly reduce expenses and free up employee resources, thus allowing us to concentrate on customer-facing activities and to strengthen customer relations. In addition, we are investing in staff training and development to ensure that we are able to offer the best possible service across all business units and segments. The needs of our customers are changing rapidly and are becoming increasingly complex, and we must stay ahead of developments to be able to meet their expectations.

In the first half of the year, we made further strong improvements to our digital and automated solutions across the business and thereby strengthened our market-leading position in the digital sphere. The customer response is encouraging, and the use of these new channels is growing rapidly.

Although digitalisation is making banking easier for most customers, we recognise that not all customers are embracing this trend. Some senior customers in particular are not at ease with information technology and debit cards. To help this customer group through the market transformation as well as possible, we offer "step-by-step" meetings on how to use the future bank and the eBanking facilities. On the basis of research surveys across the Nordic region, we are developing training material and a new eBanking system with a simplified user interface.

We take our responsibility towards our customers, shareholders and society in general very seriously. Our key responsibility is to ensure a high level of trust in us, what we do and how we do it. Openness and responsibility are fundamental factors in cultivating trust. To us, responsibility means being transparent and maintaining an open dialogue with key stakeholders about matters that are important to them and to us. Examples of our efforts in this area are our proactive Investor Relations communications and the public dialogue we have with stakeholders on many topics as well as our presence on social media. Another example is our financial literacy training programme for children, which is now fully implemented and has been well received in all our markets. You can see further examples in our annual Corporate Responsibility report.

CUSTOMER SATISFACTION – STATUS ON OUR GOAL TO BE NUMBER ONE OR TWO IN OUR FOCUS SEGMENTS IN 2015


Sources: Ennova and Aalund. Customer satisfaction is calculated as a moving average of measurements over the past six months.

Where are we on customer satisfaction?

Our overall target is to be ranked number one or two in our focus segments by 2015. This goal is highly dependent on our ability to continue to improve relations with customers and earn their trust. We are confident that the actions we have taken to set new standards in financial services will bring us there.

Corporates & Institutions is ranked third among the wholesale banks operating in the Nordic countries in the 2012 Prospera survey. Our goal is to be ranked the number one wholesale bank in the Nordic countries by 2015. See the Corporates & Institutions section on pages 31–32 for additional information on the survey measurement method and the current status on the individual surveys.

Where are we on our financial targets?

We have set several financial targets for the years 2012 to 2015. As shown below, we have already met some important targets, including the core tier 1 and total capital ratios, as well as LCR compliance. For return on equity, our management actions are showing progress, most visibly in cutting costs. On the income side, we have implemented extensive repricing, but to a large extent this has been offset by the low interest rates, and the macroeconomic conditions are expected to remain a challenge for some time. With the upgrade to a stable outlook from Fitch in the second quarter, we continue to make progress in our ratings, even though general scepticism about the Danish mortgage market caused S&P to change the outlook from positive to stable in July 2013. We maintain our 2015 targets.

| FINANCIAL TARGET | AMBITION | YEAR | ASSUMPTIONS | STATUS 30 JUNE 2013 | COMMENTS |
|---------------------------|---------------------------------------|-------------------|--|--|--|
| Return on equity | Above 12% | 2015 | Loan loss ratio of 30 bps Short-term interest rates of 2% | 5.2% | On track |
| Ratings | Improve ratings by at least one notch | 2015 | | S&P/Moody's/Fitch A-/Baa1/A Stable/Stable/Stable | In progress Stable outlook from Fitch in June and S&P in July |
| Core tier 1 capital ratio | Minimum 13% | End-2013 | On a reported basis | 15.6% | Met at end-2012 |
| Total capital ratio | Minimum 17% | End-2013 | On a reported basis | 21.8 % | Met at end-2012 |
| LCR compliance | Minimum 110% | End-2012 | As per Danish FSA definition | 132% | Met at end-2012 |
| Nominal costs | Below DKK 24 bn | 2015 | On a reported basis, inflation of 2% p.a. | DKK 23.8 bn | On track |
| C/I ratio | Below 46% | 2015 | Short-term interest rates of 2% | 59.6% | On track |
| FTE target | Reduced by 1,000 Reduced by 2,000 | 2012 2013-2015 | Net reduction at Group level | 1,012 327 | Met at end-2012 On track |
| Dividend payments | About 40% of net profit | 2015 | Lower until rating targets are reached | | On track |

FINANCIAL REVIEW

In the second quarter of 2013, Danske Bank posted a profit before tax from core activities of DKK 2.9 billion, an increase of 6% from the first-quarter level. The net profit was DKK 2.2 billion, up DKK 0.7 billion. The result was acceptable given the market conditions.

Income

Total income amounted to DKK 9.9 billion, down 3% from the first-quarter level.

Net interest income totalled DKK 5.5 billion, equaling the level in the first quarter. Although pricing initiatives for bank and mortgage credit products taken in 2012 had a positive effect on net interest income, this effect was offset by declining short-term interest rates and lower lending volumes in particular.

Net trading income totalled DKK 2.2 billion, an increase of DKK 0.4 billion from the first quarter generated partly by positive value adjustments of unlisted equities. Trading income at Corporates & Institutions decreased as the Fed announcement created erratic market conditions that resulted in lower income, especially from government bonds.

The insurance business posted a net loss of DKK 0.3 billion, against a net income of DKK 0.3 billion in the first quarter. Income decreased because the adverse developments in the financial markets caused a substantially lower return on investments. As a result, the risk allowance could be booked to income for only one of the four interest rate groups.

Expenses

Expenses amounted to DKK 6.0 billion, the same level as in the first quarter. This result reflects our strong effort to reduce costs while investing in innovative products and solutions and leaner processes.

Danske Bank's contribution to the Danish Guarantee Fund for Depositors and Investors amounted to DKK 0.2 billion, the same as in the first quarter. In the first quarter, Danske Bank also expensed DKK 0.1 billion as its expected share of the banking sector's commitment to cover losses arising from the resolution of certain small Danish banks.

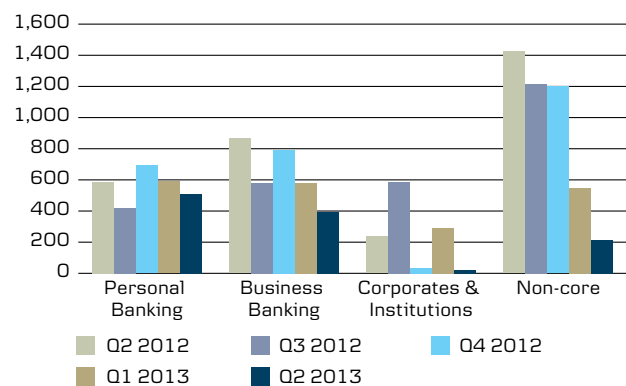
In the first half of 2013, Danske Bank reduced the headcount by 327. At 30 June 2013, severance agreements had been made with another 140 employees.

Expenses for VAT, bank tax and financial services employer tax amounted to DKK 0.5 billion, unchanged from the first-quarter level.

Impairments

Impairments continued to decline, and this trend was clear across all business units. Impairments in core activities declined from DKK 1,459 million in the first quarter of 2013 to DKK 924 million, or 0.19% p.a. of lending and guarantees.

LOAN IMPAIRMENT CHARGES
(DKK millions)



LOAN IMPAIRMENT CHARGES, ANN. (BPS)

| | Q2 2013 | Q1 2013 |
|-------------------|---------|---------|
| Impairments, ann. | 19.0 | 29.6 |
| Personal Banking | 23.5 | 26.8 |
| Business Banking | 24.6 | 35.9 |
| C&I | 1.4 | 22.7 |

Tax

Tax on the profit for the second quarter amounted to DKK 0.5 billion, or 18% of profit before tax. The tax charge was low relative to the profit, mainly because DKK 0.2 billion was booked to income as a result of reduced deferred tax following new tax legislation in Denmark.

FIRST HALF 2013 VS FIRST HALF 2012

- Profit before tax from core activities amounted to DKK 5.7 billion, down from DKK 6.5 billion in the first half of 2012.
- Net interest income fell 4% to DKK 11.0 billion, primarily because of lower lending volumes and lower demand for refinancing.
- The insurance business generated a net loss of DKK 5 million, against a net income of DKK 843 million in the first half of 2012. Income decreased because the risk allowance could be booked for only one of the four interest rate groups.
- Expenses fell 4% from the first half of 2012 and amounted to DKK 11.9 billion. The first half of 2012 was affected by a write-down related to the Sampo Bank brand name as well as expenses for severance payments and branch mergers.
- Impairments fell 48% to DKK 2.4 billion. All three banking units booked lower impairments than in the first half of 2012.
- Impairments in Non-core activities fell from DKK 2.4 billion to DKK 0.8 billion, reflecting lower impairments on the commercial property portfolio.

Balance sheet

| LENDING (END OF PERIOD) (DKK billions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|---|--------------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| Personal Banking | 842.2 | 880.4 | 96 | 842.2 | 860.5 | 871.8 | 887.3 | 880.4 | 871.8 |
| Business Banking | 628.0 | 656.1 | 96 | 628.0 | 644.4 | 641.1 | 654.9 | 656.1 | 641.1 |
| Corporates & Institutions | 155.2 | 169.7 | 91 | 155.2 | 167.4 | 161.1 | 168.5 | 169.7 | 161.1 |
| Other Activities incl. eliminations | - | -7.4 | - | - | - | 1.5 | -10.8 | -7.4 | 1.5 |
| Allowance account, lending | 35.6 | 36.3 | 98 | 35.6 | 35.4 | 34.1 | 36.5 | 36.3 | 34.1 |
| Total lending | 1,589.8 | 1,662.5 | 96 | 1,589.8 | 1,636.9 | 1,641.4 | 1,663.4 | 1,662.5 | 1,641.4 |

| DEPOSITS (END OF PERIOD) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|-------------------------------------|--------------------|--------------------|----------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Personal Banking | 364.9 | 365.8 | 100 | 364.9 | 370.2 | 360.2 | 366.1 | 365.8 | 360.2 |
| Business Banking | 269.3 | 244.8 | 110 | 269.3 | 257.9 | 264.0 | 247.5 | 244.8 | 264.0 |
| Corporates & Institutions | 162.7 | 125.0 | 130 | 162.7 | 168.9 | 162.8 | 128.5 | 125.0 | 162.8 |
| Other Activities incl. eliminations | -0.1 | -5.0 | - | -0.1 | 0.3 | -3.2 | -5.3 | -5.0 | -3.2 |
| Total deposits | 796.8 | 730.6 | 109 | 796.8 | 797.3 | 783.8 | 736.8 | 730.6 | 783.8 |

| BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIOD) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|---|--------------------|--------------------|----------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Bonds issued | 616.5 | 596.8 | 103 | 616.5 | 623.1 | 614.3 | 618.5 | 596.8 | 614.3 |
| Own holdings of bonds | 112.8 | 127.7 | 88 | 112.8 | 111.3 | 121.8 | 109.9 | 127.7 | 121.8 |
| Total Realkredit Danmark bonds | 729.3 | 724.5 | 101 | 729.3 | 734.4 | 736.1 | 728.4 | 724.5 | 736.1 |
| Total covered bonds | 204.3 | 190.0 | 108 | 204.3 | 218.2 | 220.8 | 204.8 | 190.0 | 220.8 |
| Deposits and issued mortgage bonds etc. | 1,730.4 | 1,645.1 | 105 | 1,730.4 | 1,749.9 | 1,740.7 | 1,670.0 | 1,645.1 | 1,740.7 |
| Lending as % of deposits and issued mortgage bonds etc. | 92 | 101 | | 92 | 94 | 94 | 100 | 101 | 94 |

Lending

At the end of June 2013, total lending was down 3% from the end-2012 level. Most of Danske Bank's markets saw weak growth, which suppressed the demand for credit.

New gross lending, excluding repo loans, amounted to DKK 14.1 billion for the second quarter of the year.

Danske Bank's market share of total lending in Denmark rose to 28.0% from 26.6% at the end of 2012. In Ireland, Danske Bank maintained its market share of lending, whereas the market shares fell marginally in Sweden, Norway and Finland.

| MARKET SHARE OF LENDING (%) | 30 June 2013 | 31 December 2012 |
|------------------------------------|-----------------|---------------------|
| Denmark (including mortgage loans) | 28.0 | 26.6 |
| Finland | 10.9 | 11.3 |
| Sweden | 5.0 | 5.2 |
| Norway | 4.6 | 4.9 |
| Ireland | 3.7 | 3.4 |

Lending equalled 92% of total deposits, mortgage bonds and covered bonds, a decline from 94% at the end of 2012. Excluding exchange rate effects, the lending ratio was down at all three banking units.

Deposits

At the end of June 2013, total deposits largely matched the level at the end of 2012.

Danske Bank's market share of total deposits in Denmark fell to 28.3% from 29.1% at the end of 2012. In the other Nordic countries, Danske Bank maintained its market shares of deposits.

| MARKET SHARE OF DEPOSITS (%) | 30 June 2013 | 31 December 2012 |
|------------------------------|-----------------|---------------------|
| Denmark | 28.3 | 29.1 |
| Finland | 11.2 | 11.2 |
| Sweden | 4.8 | 4.6 |
| Norway | 5.3 | 5.0 |
| Ireland | 2.0 | 2.0 |

Credit exposure

Credit exposure totalled DKK 3,481 billion, against DKK 3,656 billion at the end of 2012. Exposure from lending activities amounted to DKK 2,296 billion, against DKK 2,389 billion at the end of 2012. Some DKK 844 billion of the total exposure derived from trading and investment activities, against DKK 921 billion at the end of 2012.

Risk Management 2012, which is available at www.danskebank.com/ir, provides more details on Danske Bank's credit risks.

Asset quality of the credit portfolio

The overall credit quality of the portfolio was strong and improved slightly from the level in the first quarter of 2013. Both the personal customer portfolio and the business portfolio benefitted from improved customer ratings.

Gross impaired loans declined because of lower non-performing exposure to Danish business and personal customers.

The impairment coverage ratios continue to be high as 67% of performing loans and 100% of non-performing loans are covered by impairments and collateral. The impairment coverage ratios are affected by the haircuts applied to the valuation of collateral and the fact that we include all facilities with the customer if a single facility shows objective evidence of impairment.

| LOAN IMPAIRMENT COVERAGE (%) | 30 June 2013 | 31 December 2012 |
|------------------------------|--------------|------------------|
| Total impaired loans | 86 | 95 |
| - Performing | 67 | 64 |
| - Non-performing | 100 | 98 |

Impairment coverage is calculated as individual allowance account amounts relative to gross impaired loans net of collateral (after haircuts).

Danish personal customers, commercial property customers and agricultural customers accounted for the vast majority of impaired loans. The impairment coverage on these loans is high.

Allowance account

The allowance account comprises accumulated impairments, including both collective and individual impairments.

At 30 June 2013, accumulated individual impairments in our core activities amounted to DKK 33.5 billion, or 1.7% of lending and guarantees. Accumulated collective impairments amounted to DKK 3.3 billion, or 0.2% of lending and guarantees. The corresponding figures at 31 December 2012 were DKK 32.7 billion and DKK 3.4 billion.

| ALLOWANCE ACCOUNT (DKK millions) | 30 June 2013 | | 31 Dec. 2012 | |
|-------------------------------------|---------------|-----------------------------|---------------|-----------------------------|
| | Balance | % of lending and guarantees | Balance | % of lending and guarantees |
| Personal Banking | 9,663 | 1.13 | 9,314 | 1.06 |
| Business Banking | 24,107 | 3.70 | 23,961 | 3.59 |
| Corporates & Institutions | 3,095 | 0.51 | 2,877 | 0.48 |
| Other | 1 | - | 3 | - |
| Total core activities | 36,866 | 1.88 | 36,155 | 1.82 |
| Non-core | 10,845 | 26.29 | 11,638 | 27.07 |
| Total | 47,711 | 2.38 | 47,793 | 2.36 |

Write-offs amounted to DKK 1.4 billion, up from DKK 1.0 billion in the first quarter. The increase was caused by higher write-offs at Personal Banking Finland. Of the write-offs in the period, DKK 0.2 billion was attributable to facilities not already subject to impairment.

Trading and investment activities

Credit exposure from trading and investment activities amounted to DKK 844 billion at 30 June 2013, against DKK 921 billion at 31 December 2012.

Danske Bank has made agreements with many of its counterparties to net positive and negative market values. The net exposure was DKK 79 billion, against DKK 105 billion at the end of 2012, and most of it was secured by collateral management agreements.

The value of the bond portfolio, excluding customer funds at Danica Pension, was DKK 538 billion. Of the total bond portfolio, 98.6% was recognised at fair value.

| BOND PORTFOLIO (%) | 30 June 2013 | 31 December 2012 |
|---|--------------|------------------|
| Government bonds and bonds guaranteed by central or local governments | 40 | 36 |
| Bonds issued by quasi-government institutions | 1 | 1 |
| Danish mortgage bonds | 41 | 42 |
| Swedish covered bonds | 10 | 11 |
| Other covered bonds | 4 | 5 |
| Short-term bonds (CP etc.), primarily with banks | - | 2 |
| Corporate bonds | 4 | 3 |
| Total holdings | 100 | 100 |
| Available-for-sale bonds included in total holdings | 12 | 13 |

Holdings of government bonds consisted primarily of bonds issued by the Nordic countries, Germany, France and the UK. The total risk exposure to government bonds from Ireland, Portugal, Spain and Italy was DKK 5.4 billion (2012: DKK 3.2 billion). All holdings of government bonds issued by these countries were recognised at fair value. Danica Pension's exposure to government bonds from Ireland, Portugal, Spain and Italy totalled DKK 10.8 billion (2012: DKK 8.1 billion), with policyholders receiving most of the return and assuming most of the risk. Danske Bank's bond portfolio did not include government bonds issued by Greece or Cyprus.

Capital and solvency

The Group's capital base consists of tier 1 capital (equity capital and hybrid capital after deductions) and tier 2 capital. At 30 June 2013, the capital base amounted to DKK 170.0 billion, and the total capital ratio was 21.8%. The core tier 1 capital ratio stood at 15.6%.

In the second quarter of 2013, Danske Bank redeemed subordinated debt of DKK 3.7 billion as planned.

At 30 June 2013, risk-weighted assets amounted to DKK 779 billion, against DKK 819 billion at 31 December 2012.

In June 2013, we received orders from the Danish FSA concerning our use of the internal ratings-based approach (the IRB approach) for risk-weighted assets calculations and our solvency need calculations. We do not agree with most of the orders and have filed an appeal with the Danish Company Appeals Board. We have met the orders that were to be met by 30 June 2013, and until we know the outcome of the appeal, we will continue to implement the other orders. Other things being equal, we expect risk-weighted assets to rise by around DKK 100 billion, which represents a decline of 2.6 percentage points in the total capital ratio calculated at 30 June 2013. The Group's solvency need of DKK 88 billion is determined on the basis of the transitional rules, which are unaffected by the FSA orders.

At 30 June 2013, Danske Bank's solvency need ratio was 11.3% (31 December 2012: 11.0%). Under Danish law, Danske Bank must publish its solvency need on a quarterly basis. More detailed information is available at www.danskebank.com/ir.

Ratings

In the second quarter of 2013, Fitch Ratings maintained Danske Bank's A/F1 rating while changing the outlook to stable.

Moody's maintained Danske Bank's long-term Baa1 rating and its short-term P-2 rating. The long-term rating has a stable outlook.

Standard & Poor's (S&P) maintained Danske Bank's long-term A- rating and short-term A-2 rating. The long-term rating had a positive outlook until S&P's analysis of the Danish mortgage system in July 2013 caused a change to a stable outlook. In September 2012, Danske Bank issued subordinated debt of USD 1 billion to improve its risk adjusted capital in accordance with S&P's rating methodology criteria. In July 2013, S&P revised its methodology, and the debt can no longer be included in the RAC ratio.

Danske Bank's current ratings are not satisfactory. One of our financial targets for 2015 is to improve our ratings by at least one notch.

Mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark are rated AAA by S&P (stable outlook).

Realkredit Danmark bonds are also rated by Fitch Ratings. Bonds issued from capital centre S are rated AAA, while bonds issued from capital centre T are rated AA+. Both ratings have a stable outlook.

| DANSKE BANK'S RATINGS AT 1 AUGUST 2013 | | | |
|--|---------|--------|--------|
| | Moody's | S&P | Fitch |
| Long-term | Baa1 | A- | A |
| Short-term | P-2 | A-2 | F1 |
| Outlook | Stable | Stable | Stable |

Regulatory changes

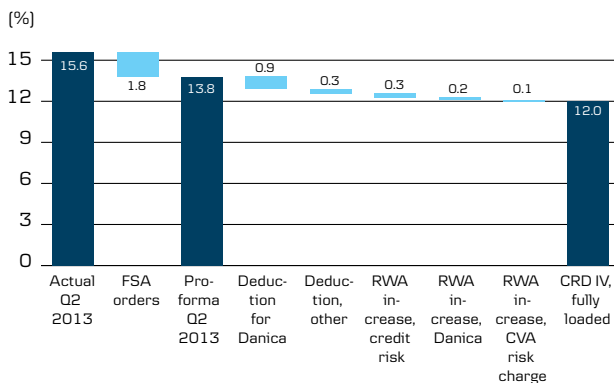
Danske Bank continues to take a proactive role with regard to new regulation. We seek to be actively involved in policy discussions to ensure that new regulations will result in the right balance between financial stability and macroeconomic growth.

Capital Requirements Regulation and Directive (CRR/CRD IV)

We maintain a close dialogue with regulators to stay abreast of regulatory changes. In anticipation of the changes, we have focused on building a strong capital base as is evident from our high core tier 1 ratio.

We estimate that the effect of CRR/CRD IV on our core tier 1 capital ratio at 30 June 2013 (after having taken the FSA orders into account) will be a reduction of about 1.8 percentage points when the rules are fully phased in in 2018. The reduction entails changes in various elements, as shown below. We assume that the deduction requirement for Danica Pension under the EU Financial Conglomerates Directive will continue. We expect clarification in Danish legislation in the second half of 2013.

| EXPECTED TIMING | KEY REGULATORY INITIATIVES |
|-----------------|---|
| 2014-2019 | Gradual phase-in of CRR/CRD IV rules New requirements for the quality and quantity of capital, liquidity measures and leverage reporting. Further expected legislative proposals include changes to the large exposures framework and a new stable funding measure. |
| 2014-2022 | Danish SIFI rules Expected to include higher capital requirements, a faster phase-in of liquidity measures, recovery and resolution plans, and stricter corporate governance. |
| 2014-2018 | EU framework for the recovery and resolution of banks Bail-in rules on liability write-down sequence under insolvency, banks' minimum amount of "bail-inable" debt, and the financing of industry resolution funds. |
| 2014-2019 | EU banking union A single supervisory mechanism, a single resolution mechanism and common deposit guarantee rules. Since Denmark has not decided whether to join the banking union, the effect on Danske Bank is uncertain. |
| 2014-2016 | Deposit guarantee scheme rules Harmonisation at EU level, including changes in the size of guarantee funds and contribution calculations. Clarification of the relation between guarantee schemes and resolution funds. |
| 2015-2017 | Separation of trading activities from banking activities Possibilities range from "ring-fencing" proprietary trading and/or market making to a full separation of wholesale and investment banking activities from retail banking activities. |

CORE TIER 1 CAPITAL RATIO, ADJUSTED FOR CRD IV**SIFI rules**

In March 2013, the Danish SIFI Committee published a report recommending stricter capital and liquidity requirements for systemically important financial institutions (SIFIs) in Denmark. The political negotiations are ongoing, and it is still uncertain what the final requirements will be and when they will apply. As expected, the SIFI Committee proposed that Danske Bank be designated a SIFI in Denmark.

Danske Bank is in favour of initiatives that are designed to create a more robust and stable financial system. The proposed SIFIs represent around 80-90% of the market for credit institutions in Denmark.

We are actively engaged in the process of ensuring that regulators are aware of the need to balance the final requirements in a way that allows Danish SIFIs to support long-term growth and job creation in the Danish economy through lending, in particular lending to households and SMEs at rates that customers can afford. We find it important that, in placing requirements on SIFIs in Denmark, regulators seek capital levels and a schedule of implementation that are aligned with the main track in the EU.

Other regulatory initiatives

Other key EU regulatory initiatives, including the EU Recovery and Resolution Directive and the Banking Union, are currently subject to political debate. The outcomes are very uncertain, and it is still too early to assess the long-term effects on Danske Bank.

Supervisory Diamond

The FSA has identified a number of specific risk indicators for banks (the Supervisory Diamond) and has introduced limit values that all Danish banks must comply with. At 30 June 2013, Danske Bank A/S was in compliance with all the limit values. A separate report is available at www.danskebank.com/ir.

Funding and liquidity

With a liquidity buffer of DKK 479 billion, Danske Bank's liquidity position is strong. The buffer consists of cash and holdings at central banks of DKK 89 billion; securities issued or guaranteed by sovereigns, central banks or multilateral development banks of DKK 83 billion; covered bonds (including mortgage bonds) of DKK 281 billion; and other holdings of DKK 26 billion.

With an LCR of 132% at the end of June 2013, Danske Bank complied with the LCR requirement. Danske Bank also complied with all other liquidity requirements. Stress tests show that we have a sufficient liquidity buffer for the coming 12 months.

In the second quarter, Danske Bank issued covered bonds for DKK 0.3 billion and senior debt for DKK 4.0 billion, a total of DKK 4.3 billion, and redeemed long-term debt of DKK 21.5 billion.

At 30 June 2013, the total amount of outstanding long-term funding, excluding senior debt issued by Realkredit Danmark, was DKK 345 billion, against DKK 355 billion at the end of 2012. The long-term funding consisted of the following:

| DANSKE BANK EXCLUDING REALKREDIT DANMARK (DKK billions) | 30 June 2013 | 31 December 2012 |
|---|--------------|------------------|
| Covered bonds | 165 | 167 |
| Senior unsecured debt | 121 | 120 |
| Subordinated debt | 59 | 68 |
| Total | 345 | 355 |

PERSONAL BANKING

PERSONAL BANKING SERVES PERSONAL AND PRIVATE BANKING CUSTOMERS THROUGH A STRONG NETWORK OF BRANCHES, FINANCE CENTRES, CONTACT CENTRES AND ONLINE CHANNELS. PERSONAL BANKING OFFERS A WIDE RANGE OF FINANCIAL PRODUCTS AND SERVICES WITHIN BANKING, PROPERTY FINANCING, LEASING, INSURANCE AND PENSIONS.

We are pleased to see that our New Standards strategy measures are starting to pay off financially, but we also recognise that we have a long way to go before meeting our financial goals. With our new customer programme, however, we have an excellent foundation for creating long-term value for customers and shareholders alike. Personal Banking is on track with a major overhaul of the distribution network to better reflect customers' increasing use of digital channels and demand for 24/7 accessibility. We know, however, that some of the changes we have introduced are not popular with all of our customers initially. This is apparent from the low image and customer satisfaction scores in some markets. Still, there are early signs of improvement in our image, and the customer response to our innovative new mobile solutions and customer programme is very positive.

New Standards strategy

Personal Banking is committed to setting new standards as a financial partner. These are our two main customer promises:

- To deliver proactive financial care
- To offer seamless online solutions

We have launched a number of initiatives in pursuit of our overall goals of high customer satisfaction and strong financial results, including the following:

- Increased accessibility through innovative online solutions
- Better, fairer and more transparent product offerings and advisory services that make it more attractive for customers to increase their volume of business with us
- Simplicity as a driver for customer offerings and internal processes to make day-to-day banking easier and more convenient

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON ALLOCATED CAPITAL OF 7.2% P.A., DOWN 0.8 OF A PERCENTAGE POINT
- PROFIT BEFORE TAX OF DKK 0.5 BILLION, DOWN 6%
- TOTAL INCOME OF DKK 4.1 BILLION, MATCHING THE LEVEL IN Q1
- NET INTEREST INCOME OF DKK 2.8 BILLION, ON A PAR WITH THE LEVEL IN Q1
- EXPENSES UP 4% TO DKK 3.1 BILLION
- IMPAIRMENTS DOWN 14%

Profit before tax fell slightly from the first to the second quarter, mainly because of one-off expenses and IT costs. Year-on-year, however, Personal Banking has significantly improved both profit, which rose from DKK 0.3 billion to DKK 1.1 billion, and ROE, which was up from 2.5% p.a. to 7.6% p.a.



CUSTOMER
SATISFACTION



RETURN ON
ALLOCATED CAPITAL



CUSTOMERS USING
ONLINE CHANNELS

| PERSONAL BANKING (DKK millions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|--|--------------------|--------------------|----------------|------------|------------|------------|------------|------------|-------------------|
| Net interest income | 5,565 | 5,844 | 95 | 2,793 | 2,772 | 2,954 | 2,874 | 2,931 | 11,672 |
| Net fee income | 2,041 | 1,790 | 114 | 1,043 | 998 | 979 | 961 | 880 | 3,730 |
| Net trading income | 297 | 359 | 83 | 97 | 200 | 291 | 169 | 148 | 819 |
| Other income | 330 | 324 | 102 | 187 | 143 | 146 | 138 | 165 | 608 |
| Total income | 8,233 | 8,317 | 99 | 4,120 | 4,113 | 4,370 | 4,142 | 4,124 | 16,829 |
| Expenses | 6,035 | 6,341 | 95 | 3,079 | 2,956 | 3,115 | 2,974 | 3,346 | 12,430 |
| Profit before loan impairment charges | 2,198 | 1,976 | 111 | 1,041 | 1,157 | 1,255 | 1,168 | 778 | 4,399 |
| Loan impairment charges | 1,098 | 1,638 | 67 | 509 | 589 | 692 | 419 | 588 | 2,749 |
| Profit before tax | 1,100 | 338 | - | 532 | 568 | 563 | 749 | 190 | 1,650 |
| Loans and advances | 842,213 | 880,378 | 96 | 842,213 | 860,480 | 871,759 | 887,296 | 880,378 | 871,759 |
| Allowance account, total | 9,663 | 8,903 | 109 | 9,663 | 9,645 | 9,314 | 8,487 | 8,903 | 9,314 |
| Deposits | 364,886 | 365,843 | 100 | 364,886 | 370,203 | 360,175 | 366,053 | 365,843 | 360,175 |
| Bonds issued by Realkredit Danmark | 418,630 | 422,935 | 99 | 418,630 | 424,031 | 428,078 | 424,854 | 422,935 | 428,078 |
| Allocated capital (average) | 29,034 | 27,175 | 107 | 29,550 | 28,513 | 31,488 | 28,318 | 27,274 | 28,539 |
| Net interest income as % p.a. of loans and deposits | 0.92 | 0.94 | | 0.92 | 0.91 | 0.97 | 0.92 | 0.94 | 0.95 |
| Profit before loan impairment charges as % p.a. of allocated capital | 15.1 | 14.5 | | 14.1 | 16.2 | 15.9 | 16.5 | 11.4 | 15.4 |
| Profit before tax as % p.a. of allocated capital (ROE) | 7.6 | 2.5 | | 7.2 | 8.0 | 7.2 | 10.6 | 2.8 | 5.8 |
| Cost/income ratio (%) | 73.3 | 76.2 | | 74.7 | 71.9 | 71.3 | 71.8 | 81.1 | 73.9 |
| Full-time-equivalent staff | 7,575 | 8,547 | 89 | 7,575 | 7,713 | 8,016 | 8,304 | 8,547 | 8,016 |

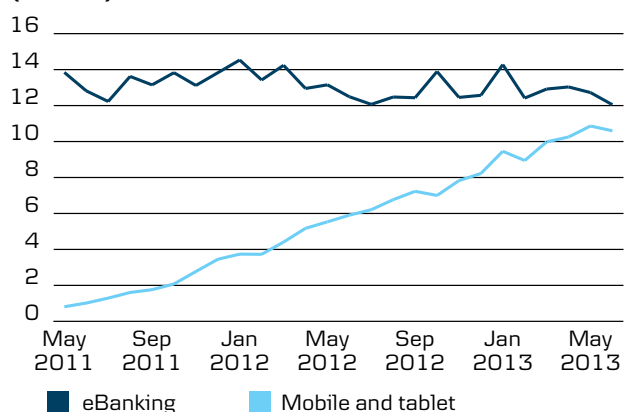
| PERSONAL BANKING FIRST HALF 2013 (DKK millions) | Denmark | Finland | Sweden | Norway | Northern Ireland | Ireland | Other | Total |
|---|---------|---------|--------|--------|---------------------|---------|-------|---------|
| Total income | 5,328 | 1,120 | 424 | 858 | 399 | 106 | -2 | 8,233 |
| Loan impairment charges | 975 | -9 | -5 | -17 | 41 | 106 | 7 | 1,098 |
| Loans and advances | 548,784 | 99,384 | 77,927 | 77,593 | 16,686 | 16,449 | 5,390 | 842,213 |
| Deposits | 214,622 | 46,872 | 32,304 | 27,859 | 27,060 | 11,032 | 5,137 | 364,886 |

Customers move to self-service via mobile devices

We see a sweeping shift from conventional channels to online self-service options. And mobile devices are fast becoming our customers' preferred point of entry to Danske Bank.

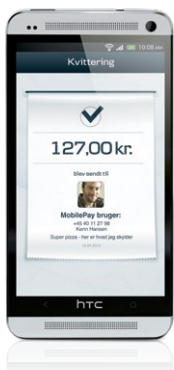
NUMBER OF MOBILE LOGONS

(millions)



In a matter of months, the total number of mobile logons will exceed the number of eBanking logons. In May 2013, this happened in Denmark, where mobile devices are now customers' preferred point of entry.

Personal Banking continues to develop self-service solutions that provide a convenient overview of the customer's finances and make day-to-day banking easy:



- MobilePay makes money transfer by mobile phone just as easy as sending a text message – all it takes is the phone number of the recipient. More than 260,000 users in Denmark have already downloaded the new app, and almost 50% are customers of other banks.

- The spending overview gives customers a convenient summary of where their money goes. This new graphic, real-time overview in Danske eBanking and on tablet and mobile apps quickly became very popular in Denmark, with more than 275,000 active users to date.

- With the launch of Danske eMeeting in all markets, customers have a new channel for meeting with their advisers, at home or at work at any time that suits them. In the second quarter, some 1,000 eMeetings were held, and customers rate eMeetings just as highly as conventional face-to-face meetings at branches.
- We are expanding our ATM services to include the possibility of withdrawing euros in non-euro zone markets.

Customers' extensive use of self-service options of course means less demand for teller services and local branch presence. We are continually working to align our distribution network with this trend.

We also continue to modernise our distribution channels, and today have tellers at 55 branches in Denmark. Combined with around 500 ATMs, our cooperation with post offices and our 24-hour telephone hotline, Danske Direct, this provides customers with good access to our employees and the assistance they require.

Danske Bank in Norway went non-cash in June 2013. Danske Bank in Ireland is already non-cash, and Danske Bank in Sweden has only one branch with tellers.

Customer satisfaction

Personal Banking's aim is to be number one or two in our focus segments, that is, mass affluent and private banking customers and young people and students, by the end of 2015. So far, we have reached this goal only in Northern Ireland and Sweden.

We view our current standing in some markets as a natural, short-term reaction to the many changes we are making over a very short period of time. But we see a need for banks to change, and we will remain committed to our strategy.

CUSTOMER SATISFACTION – STATUS ON OUR GOAL TO BE NUMBER ONE OR TWO IN OUR FOCUS SEGMENTS IN 2015

On target:



Progress towards target:



Source: Ennova. Customer satisfaction is calculated as a moving average of measurements over the past six months.

Internal figures for customer feedback on face-to-face meetings are encouraging. In the second quarter of 2013, we asked 30,000 Personal Banking customers in our focus segments for feedback, and they gave the meetings a score of 9.01 on a 10-point scale. This tells us that we are on the right track and that our highly-qualified employees are extremely dedicated when meeting our customers.

Full personal finance overview

At Personal Banking, we believe that customers will benefit from gathering their banking business with one service provider. This offers the best possible overview and gives us the best basis for advising them.

That is the reason we launched the customer programme. It began in Denmark in January, and other countries will follow in 2014.

The basic premise of the programme is that the more business customers have with Danske Bank, the more benefits they get. In the first half of 2013, more than 750,000 customers signed up for the programme in Denmark.

Customers with a very small business volume tend to gather their business with their primary bank and may thus decide to leave Danske Bank. In the first six months of 2013, some 40,000 customers left Danske Bank in Denmark. This outflow is as expected in view of the fact that we have launched an entirely new way of being a customer with Danske Bank.

Private Banking

For private banking customers, the 360-degree perspective provided by our wealth planning tool and our highly skilled private bankers have been at the core of our advisory services for years, and they offer a wide range of advantages.

We have been named the Best Private Banking bank in Denmark by Euromoney eight times in the past 10 years and were ranked number two in Sweden by the Swedish "Privata Affärer" newspaper.

Fair and transparent pricing

A comprehensive review and adjustment of our pricing principles has begun to ensure that we always strike a fair balance between the cost of our products and services, the value we offer, the risks we assume, the depth of the relationship and the price we charge. All pricing adjustments are made with the ambition of remaining competitive.

Simplicity as a driver

We believe that we can do things more simply. We can benefit our customers by offering solutions that are fast, seamless and reliable.

- We have reduced the time it takes to order and cancel credit cards by one third.
- Today, 45% of all credit decisions are automated. Automated processes are faster and more accurate, a clear benefit for customers. Our ambition is to automate 90% of all credit decisions by 2015.
- Digital online document signing is a smooth, fast and simple service that we offer all customers in Denmark.

Second quarter 2013 vs first quarter 2013

The return on equity decreased from 8.0% to 7.2% as a result of higher expenses for IT investments and expenses for the MobilePay launch.

Total income was stable, despite the fact that trading income fell, mainly because the result for the first quarter included refinancing margins from RD.

Expenses increased 4%, primarily because of IT investments and also because of severance payments and seasonal effects.

Impairments fell 14% to DKK 0.5 billion, or 0.24% p.a. of lending and guarantees, mainly as a result of the stabilisation of the personal finances of customers in Denmark.

Net interest income stood at DKK 2.8 billion, the same level as in the first quarter, and reflected persistently low interest rates and a general trend towards switching from bank loans to low-interest

mortgage loans. These factors meant that pricing differentiation did not produce the expected increase in income.

From the first to the second quarter, Personal Banking registered 306,000 customers under the customer programme, bringing the total number of registered customers to 773,665. New business had a positive effect on total income from focus customers.

First half 2013 vs first half 2012

Net interest income fell 5% owing to decreasing average lending volumes and falling short-term interest rates that put deposit margins under pressure.

Net fee income increased owing to higher fees on customer packages.

Expenses decreased owing to a fall in the number of FTEs.

Personal Banking has significantly improved both profit, which rose from DKK 0.3 billion to DKK 1.1 billion, and ROE, which was up from 2.5% p.a. to 7.6% p.a. A comparison between the first six months of 2013 and the same period of 2012 shows that Personal Banking more than trebled profit before tax and ROE. We see signs that our initiatives are beginning to pay off in improved financial results and higher customer satisfaction. When the overall economy improves and interest rates rise, this will have a further positive effect on our financial results.

Impairments fell throughout both quarters, primarily as a result of improved household finances among customers in Denmark. We expect stable impairment levels in the coming quarters.

Credit exposure

Credit exposure covers mortgages, loans secured on other assets, customer loans, and fully or partially secured credits.

Total credit exposure declined 5% to DKK 839 billion as a result of lower credit appetite and the fact that customers are focusing on repaying debt. Impairments amounted to DKK 1.1 billion.

| (DKK millions) | Credit exposure 30 June 2013 | Credit exposure 31 December 2012 | Impairment [ann.] (%) 30 June 2013 |
|---------------------|------------------------------------|--|---|
| Denmark | 548,261 | 574,377 | 0.28 |
| Finland | 98,907 | 106,074 | 0.06 |
| Sweden | 77,658 | 80,688 | 0.04 |
| Norway | 77,515 | 84,598 | 0.00 |
| Northern Ireland | 16,226 | 17,712 | 0.76 |
| Ireland | 14,969 | 15,376 | 1.51 |
| Other | 5,605 | 5,638 | 0.15 |
| Total | 839,141 | 884,463 | 0.24 |

At Realkredit Danmark, interest-only loans accounted for 54% of total loans to personal customers at the end of the period, a slight decline from the year-earlier level. The historically low interest rates and Realkredit Danmark's pricing initiatives encouraged customers to switch to fixed-rate loan products.

Strong credit quality at Personal Banking

The increase in customers' disposable income strengthened the credit quality of the Personal Banking Denmark portfolio. At Realkredit Danmark, this translated into a low, stable delinquency rate of 0.43% at 30 June 2013, on a par with the level at the end of June 2012. The loan loss ratio was 0.24%.

The credit quality of Personal Banking customers in the other Nordic markets was good, and impairments remained low.

Sound home loan portfolio

The housing market in Denmark seems to have bottomed out, and the low interest rates, coupled with Realkredit Danmark's pricing initiatives, continue to encourage customers to amortise and to set interest rates for longer periods. Consequently, the percentage of interest-only loans with a variable interest rate is declining.

The vast majority of customers are very creditworthy, and LTV ratios are generally low.

| LOAN-TO-VALUE RATIO, HOME LOANS | | | | |
|---------------------------------|--------------|-----------------|------------------|-----------------|
| (DKK billions) | 30 June 2013 | | 31 December 2012 | |
| | LTV (%) | Credit exposure | LTV (%) | Credit exposure |
| Denmark | 74.1 | 505 | 73.6 | 519 |
| Finland | 62.5 | 90 | 64.4 | 93 |
| Sweden | 69.2 | 70 | 68.2 | 74 |
| Norway | 62.3 | 72 | 62.0 | 78 |
| Northern Ireland | 78.1 | 15 | 77.9 | 16 |
| Ireland | 105.5 | 14 | 109.2 | 15 |
| Average | 71.8 | 766 | 71.6 | 795 |

Some customers have suffered from the financial crisis and the decline in house prices. Although the LTV ratio is high for these customers, it remains below 100% in most cases.

Around 26% of the portfolio in Denmark has interest resetting before end-2018. The credit risk on this portfolio is limited. The number of customers whose interest-only loans will start to amortise in 2013 is limited. On the basis of their financial situation, we have contacted these customers with advice.

BUSINESS BANKING

BUSINESS BANKING SERVES BUSINESS CUSTOMERS WITH A TURNOVER OF UP TO EUR 300 MILLION THROUGH A NETWORK OF FINANCE AND BUSINESS CENTRES, CONTACT CENTRES AND ONLINE CHANNELS. BUSINESS BANKING OFFERS LEADING SOLUTIONS IN SUCH FIELDS AS ONLINE BANKING, FINANCING, CASH MANAGEMENT AND RISK MANAGEMENT.

We are executing the Business Banking strategy according to plan. We have introduced a number of attractive new offerings for customers, and customers are beginning to benefit from an improved service model. Our digitalisation of distribution channels is well under way. The return on allocated capital improved, primarily because of lower impairments. In most markets, we saw a positive trend in customer satisfaction among our focus customers. In Sweden, Norway and Northern Ireland, we are currently on target with a top-two ranking, but in Denmark and Finland, we still need some improvement to meet our customer satisfaction goal.

New Standards strategy

Business Banking is committed to setting new standards for advisory services and online solutions for business customers. We are in the process of fundamentally revising our banking model to increase our focus on customers, strategic financial advice and technological innovation for the benefit of our customers as well as our investors.

To reach the overall goal of high customer satisfaction and strong financial results, we are

- optimising our product mix
- creating digital solutions that meet customers' needs
- upskilling our advisers and introducing new performance measures
- improving consistency and speed in credit processing
- optimising our pricing structure

| | | | | |
|-------|--------|-----------|------------|------|
| 17:20 | SK2813 | Alicante | C10 | |
| 17:25 | DY3658 | Barcelona | A23 | |
| 17:30 | JTG313 | J3313 | Djerba | D101 |
| 17:30 | SK1203 | LH6130 | Aalborg | A34 |
| 17:30 | SK541 | BT5119 | Manchester | C27 |
| 17:30 | YY1873 | IB5424 | Barcelona | C34 |
| 17:35 | JTG227 | J3227 | Gazipasa | C16 |
| 17:35 | SK2535 | BD3975 | Birmingham | C16 |
| 17:40 | SK567 | Paris/CDG | DS | 34 |

| | | |
|-------|--------|--------|
| 17:25 | DY3658 | J3313 |
| 17:30 | JTG313 | LH6130 |
| 17:30 | SK1203 | BT5119 |
| 17:30 | SK541 | IB5424 |
| 17:30 | YY1873 | J3227 |
| 17:35 | JTG227 | J3227 |
| 17:35 | SK2535 | BD3975 |
| 17:40 | SK567 | |

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON ALLOCATED CAPITAL OF 10.4% P.A., UP 0.8 OF A PERCENTAGE POINT
- PROFIT BEFORE TAX OF DKK 1.2 BILLION, UP 11%
- TOTAL INCOME OF DKK 3.0 BILLION, SLIGHTLY DOWN FROM THE LEVEL IN Q1
- NET INTEREST INCOME OF DKK 2.2 BILLION, ON A PAR WITH THE LEVEL IN Q1
- EXPENSES OF DKK 1.4 BILLION, MATCHING THE LEVEL IN Q1
- IMPAIRMENTS DOWN 32%

Profit before tax rose 11% from the first quarter to the second quarter, and year-on-year, the increase was as much as 163%. There are indications of slight improvements in the economic environment of Business Banking's main segments. On top of initiatives to improve asset quality, this contributed to a more than 50% decline in impairments since the end of June 2012.



CUSTOMER
SATISFACTION



RETURN ON
ALLOCATED CAPITAL



PROFIT BEFORE TAX

| BUSINESS BANKING (DKK millions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|--|--------------------|--------------------|----------------|------------|------------|------------|------------|------------|-------------------|
| Net interest income | 4,397 | 4,554 | 97 | 2,191 | 2,206 | 2,328 | 2,361 | 2,286 | 9,243 |
| Net fee income | 961 | 899 | 107 | 471 | 490 | 607 | 643 | 471 | 2,149 |
| Net trading income | 360 | 303 | 119 | 161 | 199 | 121 | 55 | 191 | 479 |
| Other income* | 265 | 248 | 107 | 141 | 124 | 108 | 125 | 114 | 481 |
| Total income | 5,983 | 6,004 | 100 | 2,964 | 3,019 | 3,164 | 3,184 | 3,062 | 12,352 |
| Expenses | 2,732 | 2,690 | 102 | 1,371 | 1,361 | 1,482 | 1,294 | 1,363 | 5,466 |
| Profit before loan impairment charges | 3,251 | 3,314 | 98 | 1,593 | 1,658 | 1,682 | 1,890 | 1,699 | 6,886 |
| Loan impairment charges | 974 | 2,449 | 40 | 395 | 579 | 794 | 582 | 865 | 3,825 |
| Profit before tax | 2,277 | 865 | 263 | 1,198 | 1,079 | 888 | 1,308 | 834 | 3,061 |
| Loans and advances | 627,950 | 656,083 | 96 | 627,950 | 644,386 | 641,133 | 654,933 | 656,083 | 641,133 |
| Allowance account, total | 24,107 | 25,651 | 94 | 24,107 | 24,007 | 23,961 | 25,708 | 25,651 | 23,961 |
| Deposits | 269,343 | 244,804 | 110 | 269,343 | 257,881 | 263,976 | 247,455 | 244,804 | 263,976 |
| Bonds issued by Realkredit Danmark | 297,142 | 289,483 | 103 | 297,142 | 298,606 | 296,302 | 291,538 | 289,483 | 296,302 |
| Allocated capital (average) | 45,595 | 41,672 | 109 | 45,992 | 45,193 | 45,078 | 42,741 | 41,273 | 42,791 |
| Net interest income as % p.a. of loans and deposits | 0.96 | 0.97 | | 0.95 | 1.00 | 1.05 | 1.09 | 1.06 | 1.05 |
| Profit before loan impairment charges as % p.a. of allocated capital | 14.3 | 15.9 | | 13.9 | 14.7 | 14.9 | 17.7 | 16.5 | 16.1 |
| Profit before tax as % p.a. of allocated capital (ROE) | 10.0 | 4.2 | | 10.4 | 9.6 | 7.9 | 12.2 | 8.1 | 7.2 |
| Cost/income ratio (%) | 45.7 | 44.8 | | 46.3 | 45.1 | 46.8 | 40.6 | 44.5 | 44.3 |
| Full-time-equivalent staff | 3,761 | 3,844 | 98 | 3,761 | 3,769 | 3,772 | 3,803 | 3,844 | 3,772 |

| BUSINESS BANKING FIRST HALF 2013 (DKK millions) | Denmark | Finland | Sweden | Norway | Northern Ireland | Ireland | Baltics | Other | Total |
|---|---------|---------|---------|--------|---------------------|---------|---------|-------|---------|
| Total income* | 3,190 | 627 | 859 | 606 | 448 | 14 | 375 | -136 | 5,983 |
| Loan impairment charges | 686 | -33 | 23 | 198 | 212 | 27 | -129 | -10 | 974 |
| Loans and advances | 368,769 | 47,316 | 107,403 | 52,865 | 31,785 | 1,617 | 18,191 | 4 | 627,950 |
| Deposits | 77,421 | 56,317 | 45,287 | 41,451 | 24,628 | 1,842 | 22,397 | - | 269,343 |

* Operational leasing, excluding property leasing, is presented on a net basis under Other income.

Optimising our product mix

In the first half of 2013, Business Banking launched a number of initiatives to provide customers with innovative solutions that address their specific needs and to strengthen the service model.

We are currently launching a new offering for large business customers in each of our Nordic markets. As Business Banking's large customers are becoming increasingly international, they can benefit from many of the market-leading products used by Danske Bank's largest corporate customers, such as capital markets products and advanced risk management advisory services. Tailoring these products to our large customers' needs not only adds value for the customers but also provides excellent opportunities to deepen our relations with customers.

To provide even better services to large real estate customers, we are also establishing a new offering for this group of customers in each of the Nordic markets. We are gathering our real estate advisory and financing competencies to improve our offering for these customers and optimise capital allocation and risk management.

In addition, we have introduced the Danish mortgage bond financing model to relevant customers in Norway and Sweden, and many of them already know the benefits of this financing model since they operate across the Nordic markets.

To address the needs of small business customers and give them even better advisory services, we are implementing a more proactive service model at our Business Direct contact centres and approaching customers with tailored solutions.



New digital solutions: Business on the go

In the first half of 2013, we launched the first mobile and tablet banking apps for business customers in the

Nordic region. Businesses operate across borders to an increasing degree, and now they can conduct their banking business quickly and easily wherever they are.

With the new apps, customers have real-time access to their business accounts, and the apps include a multitude of features that make it easy for businesses to monitor their finances. The apps have been very well received. The Mobile Business app was rated 5.0 on a five-point scale by customers in both Google Play and Apple's App Store.

Focus on upskilling and measurement

It is vital that our advisers give customers the best possible advice. We are therefore training advisers so that they can deliver on the strategy and always provide strategic advice that addresses each customer's specific challenges.

To build a stronger organisation and a more performance-focused business culture, we have developed new frontline performance measures for profitability, customer satisfaction and credit quality. We have also made several key recruitments to help us meet the strategic objectives.

Credit processes and quality

In the first half of 2013, Business Banking launched a number of initiatives to increase credit quality and make credit decisions much faster and simpler. This will reduce future loan losses.

For existing customers, we enhanced the collaboration between relationship managers and credit officers to ensure a more comprehensive and proactive advisory approach. We also strengthened the dedicated teams that handle distressed exposures. These teams examine the distressed exposures to determine how we can best help customers cope with challenges and protect the value of Danske Bank's exposures.

Moreover, we implemented a new credit performance system. Together with the annual credit renewal for each customer, the new system provides an improved overview of overall credit quality and gets information about potential risks to the relationship managers faster.

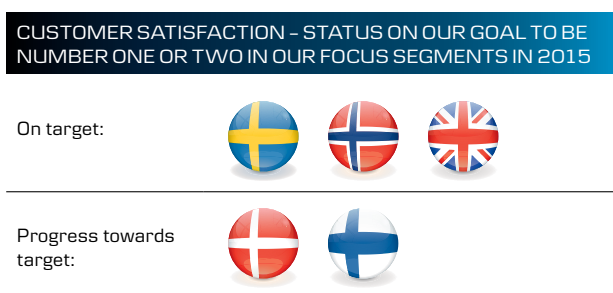
Optimising our price structure

As part of our value-based pricing initiatives, we have repriced a number of fee-based products across all markets to increase fee income. At the same time, we want to ensure that the pricing of customers' total business with us is competitive.

Customer satisfaction

Business Banking's ambition is to be number one or two among our focus customers by the end of 2015.

In the first half of 2013, we saw a positive trend in customer satisfaction in most of our markets. We are currently on target in three out of five markets as we are ranked number one in Norway and Northern Ireland and number two in Sweden. In Denmark and Finland, we need some improvement to reach the goal of a top-two ranking.



Source: Aalund. Customer satisfaction is calculated as a moving average of measurements over the past six months.

Second quarter 2013 vs first quarter 2013

Business Banking's return on allocated capital improved from 9.6% in the first quarter to 10.4% in the second quarter, mainly as a result of lower loan impairments.

Total income almost matched the level in the first quarter, although the demand for lending remained low. Business Banking saw its market shares of lending decline slightly, whereas the market shares of deposits rose in all markets.

Deposits showed a healthy increase, which improved Business Banking's balance sheet structure. The deposit/lending ratio rose to 87% in the second quarter of 2013 from 79% in the first quarter of 2013.

Net interest income was on a par with the level in the first quarter. Lower bank lending and a shift towards low-risk and low-margin mortgage lending in Denmark was offset by a rise in lending margins in the other Nordic countries and increasing deposit volumes.

In the second quarter, deposit margins were on a par with margins in the first quarter in a low-interest rate environment.

Slightly lower investment and financing activity had an adverse effect on net fee income.

Trading income from day-to-day customer business improved in the second quarter. Total trading income was adversely affected by mark-to-market revaluations, however.

Total expenses were unchanged from the level in the first quarter.

First half 2013 vs first half 2012

Profit before tax increased to DKK 2.3 billion, and the return on allocated capital rose from 4.2% to 10.0%, mainly because of improved credit quality.

Total income was unchanged, since increases in net fee and net trading income offset lower net interest income.

Net interest income declined as a result of lower lending and changes in the loan portfolio. We carried out several repricing initiatives in 2012 that resulted in an improvement in lending margins in all markets. The effect was limited, however, because of declining bank lending.

Deposit margins improved even though interest rates remained low in Denmark and the euro zone in the first half of 2013.

Net fee income rose because of repricing initiatives in some markets, including Norway and Finland.

Trading income was up as a result of a review of trading commissions and positive value adjustments of bond holdings and currency and derivatives positions at the beginning of 2013.

Total expenses increased slightly because of wage inflation in some countries. All other expenses decreased year-on-year. The total number of FTEs declined as Business Banking began a process to optimise the distribution network.

Credit exposure

Credit exposure to business customers totalled DKK 659 billion at the end of June 2013, against DKK 651 billion at the end of 2012.

| (DKK millions) | Credit exposure Q2 2013 | Credit exposure Q4 2012 | Impairment [ann.] (%) Q2 2013 |
|------------------|-------------------------|-------------------------|-------------------------------|
| Denmark | 379,275 | 360,536 | 0.54 |
| Finland | 52,534 | 50,931 | -0.14 |
| Sweden | 109,647 | 113,681 | 0.03 |
| Norway | 61,075 | 69,043 | 0.00 |
| Northern Ireland | 24,986 | 26,899 | 1.14 |
| Ireland | 2,464 | 2,644 | 13.12 |
| Baltics | 21,969 | 21,387 | -1.99 |
| Other | 6,608 | 6,140 | - |
| Total | 658,558 | 651,261 | 0.25 |

Credit quality improving

There are indications of slight improvements in the economic environment of Business Banking's main segments. On top of initiatives to improve asset quality, this contributed to a more than 50% decline in impairments since the end of June 2012. At the end of June 2013, impairments amounted to DKK 974 million, against DKK 2,449 million a year earlier. Impairments declined from DKK 579 million in the first quarter 2013 to DKK 395 million in the second quarter, and the drop was most pronounced in Denmark and Northern Ireland. Commercial real estate and agriculture remained the most challenged segments.

Bank lending declined because of customers' low demand for new loans.

CORPORATES & INSTITUTIONS

CORPORATES & INSTITUTIONS IS A LEADING PROVIDER OF WHOLESALE BANKING SERVICES FOR THE LARGEST INSTITUTIONAL AND CORPORATE CLIENTS IN THE NORDIC REGION. PRODUCTS AND SERVICES INCLUDE CASH MANAGEMENT, TRADE FINANCE AND CUSTODY SERVICES; EQUITY, BOND, FOREIGN EXCHANGE AND DERIVATIVES PRODUCTS; AND CORPORATE AND ACQUISITION FINANCE.

New Standards strategy

Corporates & Institutions is setting new standards by formulating clear priorities and delivering distinctive value propositions to clients. The objectives are to reach a more stable and growing client-driven income base and increase client satisfaction.

We focus on improving and leveraging Danske Bank's market-leading products and services while further developing our role as a strategic adviser:

- In Debt Capital Markets, we aim to be the leading Nordic bank and are investing to enhance the offering
- In Equities, we are broadening the business model, both in terms of the product range and geographically
- In Transaction Banking, we are working on strategic alignment while developing trade finance and cash management to further optimise our clients' working capital and improve liquidity management
- We are aiming generally to protect the franchise by providing consistent quality and flexible client-focused services while proactively adapting to new regulation

Together with strong relationship management, these measures are improving client satisfaction.

Given the market conditions, Corporates & Institutions' results for the first half of 2013 were acceptable. We are especially pleased that clients continued to confirm their high satisfaction with our customised products and services.

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON ALLOCATED CAPITAL OF 12.0% P.A., DOWN 0.3 OF A PERCENTAGE POINT
- PROFIT BEFORE TAX OF DKK 1.0 BILLION, ON A PAR WITH THE LEVEL IN Q1
- TOTAL INCOME OF DKK 2.1 BILLION, DOWN 11%
- INCOME FROM CLIENT-DRIVEN ACTIVITY MAINTAINED
- EXPENSES OF DKK 1.1 BILLION, MATCHING THE LEVEL IN Q1
- IMPAIRMENTS DOWN 93%

Profit before tax was almost flat from the first quarter to the second quarter as lower impairments offset declining trading income. In the second quarter, net trading income from Market Making decreased as the Fed announcement created erratic market conditions that resulted in lower income, especially from government bonds.



CLIENT
SATISFACTION



RETURN ON
ALLOCATED CAPITAL



PROFIT BEFORE TAX

| CORPORATES & INSTITUTIONS (DKK millions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|--|--------------------|--------------------|----------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| Net interest income | 1,061 | 992 | 107 | 557 | 504 | 451 | 475 | 501 | 1,918 |
| Net fee income | 564 | 542 | 104 | 272 | 292 | 312 | 264 | 287 | 1,118 |
| Net trading income | 2,881 | 5,084 | 57 | 1,300 | 1,581 | 1,285 | 1,972 | 1,717 | 8,341 |
| Other income | 7 | 6 | 117 | 2 | 5 | 9 | 4 | 2 | 19 |
| Total income | 4,513 | 6,624 | 68 | 2,131 | 2,382 | 2,057 | 2,715 | 2,507 | 11,396 |
| Expenses | 2,240 | 2,181 | 103 | 1,140 | 1,100 | 1,107 | 1,019 | 1,008 | 4,307 |
| Profit before loan impairment charges | 2,273 | 4,443 | 51 | 991 | 1,282 | 950 | 1,696 | 1,499 | 7,089 |
| Loan impairment charges | 311 | 536 | 58 | 20 | 291 | 36 | 588 | 236 | 1,160 |
| Profit before tax | 1,962 | 3,907 | 50 | 971 | 991 | 914 | 1,108 | 1,263 | 5,929 |
| Loans and advances | 155,193 | 169,744 | 91 | 155,193 | 167,377 | 161,112 | 168,493 | 169,744 | 161,112 |
| Allowance account, total | 3,095 | 2,519 | 123 | 3,095 | 3,236 | 2,877 | 3,028 | 2,519 | 2,877 |
| Deposits | 162,694 | 124,957 | 130 | 162,694 | 168,937 | 162,817 | 128,496 | 124,957 | 162,817 |
| Bonds issued by Realkredit Danmark | 13,464 | 12,157 | 111 | 13,464 | 11,757 | 11,695 | 12,060 | 12,157 | 11,695 |
| Allocated capital (average) | 32,285 | 27,308 | 118 | 32,374 | 32,194 | 31,112 | 28,882 | 27,987 | 28,653 |
| Net interest income as % p.a. of loans and deposits | 0.66 | 0.67 | | 0.69 | 0.60 | 0.56 | 0.65 | 0.69 | 0.60 |
| Profit before loan impairment charges as % p.a. of allocated capital | 14.1 | 32.5 | | 12.2 | 15.9 | 12.2 | 23.5 | 21.4 | 24.7 |
| Profit before tax as % p.a. of allocated capital (ROE) | 12.2 | 28.6 | | 12.0 | 12.3 | 11.8 | 15.3 | 18.1 | 20.7 |
| Cost/income ratio (%) | 49.6 | 32.9 | | 53.5 | 46.2 | 53.8 | 37.5 | 40.2 | 37.8 |
| Full-time-equivalent staff | 1,554 | 1,460 | 106 | 1,554 | 1,531 | 1,499 | 1,467 | 1,460 | 1,499 |

| TOTAL INCOME (DKK millions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|--------------------------------|--------------------|--------------------|----------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| General Banking | 1,714 | 1,574 | 109 | 871 | 843 | 779 | 773 | 814 | 3,126 |
| Capital markets | 335 | 289 | 116 | 161 | 174 | 206 | 160 | 107 | 655 |
| Sales and Research | 1,417 | 1,390 | 102 | 702 | 715 | 631 | 576 | 653 | 2,597 |
| Market Making | 1,047 | 3,371 | 31 | 397 | 650 | 441 | 1,206 | 933 | 5,018 |
| Total income | 4,513 | 6,624 | 68 | 2,131 | 2,382 | 2,057 | 2,715 | 2,507 | 11,396 |

Debt Capital Markets

The trend towards further disintermediation and increased capital market funding continued in the first six months of 2013, with several new corporate issuers coming into the market.

We took further steps to expand our capabilities in this area and subsequently won a number of important mandates. Among them was the position as sole bookrunner on one of the first corporate bond issues denominated in Danish kroner, which was followed by two DKK 1.0 billion transactions in June, confirming Danske Bank as the leading arranger of Danish kroner-denominated corporate bond issues.

Our new domestic issues activity in the other Nordic markets remained strong and was complemented by international bookrunner positions in important new corporate bond issues, such as our participation as one of four banks in an EUR 2.0 billion bond issue in March.

We also acted as an agent on two US private placements for Nordic corporate issuers, and we remain the only Nordic bank active in this market.

Equities

In the second quarter of 2013, we launched an ambitious equity strategy to increase our Nordic market shares by diversifying the product range and strengthening our pan-Nordic position. The rise in earnings and traction in new areas confirmed this strategic direction.

Transaction Banking

We further strengthened Danske Bank's leading transaction banking products and services by increasing investments, primarily in cash management, trade finance and custody services. The strategic direction is to develop trade finance and cash management to further optimise our clients' working capital and improve liquidity management. The investments were combined with a restructuring of the unit to enhance sales and client activity.

Thus far, the investments have paid off in an increase in market penetration and the number of tenders won. At the same time, the annual client satisfaction surveys conducted in the first half of 2013 confirmed Danske Bank's strong position in this area.

Protection of the franchise

In the first half of 2013, Corporates & Institutions worked to resolve the issues arising from future regulation on clearing. This led to new business opportunities. Specifically, we acquired our first clients as a clearing broker for Swedish kroner-denominated derivatives on NASDAQ OMX. Danske Bank is also preparing to offer client clearing through the London Clearing House.

Further, we prepared for the coming derivatives trade reporting requirements. Corporates & Institutions has as its ambition to support clients' trade reporting requirements as well. In the first half of 2013, we developed a trade reporting service that will be launched in the second half of the year.

Within securities offerings, we worked to improve settlement services as part of an overall ambition to provide consistent quality and flexible client-oriented services.

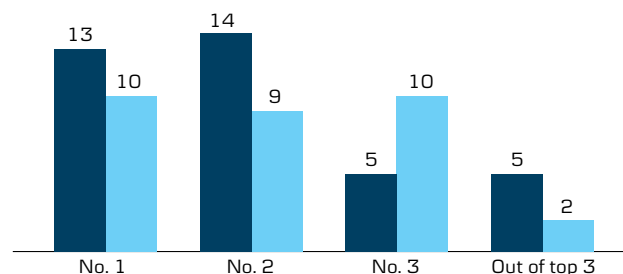
Client satisfaction

Corporates & Institutions has an ambition to be the number one wholesale bank in the Nordic region.

Danske Bank uses surveys conducted by Prospera as an indicator of client satisfaction. The surveys are conducted across a vast number of areas throughout the year.

Prospera consolidates all surveys annually, and we strive to be number one in this survey by 2015. In 2012, we ranked third.

CLIENT SATISFACTION

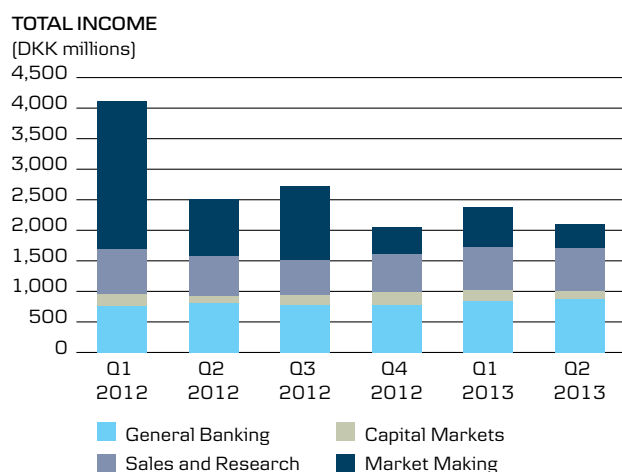


Source: Prospera

Surveys conducted in H1 2013 are compared with the corresponding surveys for 2012 regardless of when they were published. Prospera conducted new surveys in 2013 that were not conducted in 2012.

In the surveys on Corporates & Institutions' clients and products, Danske Bank was ranked in the top two in 73% of all relevant surveys published in the period. We achieved top positions in fixed income, derivatives and trade finance, and runner-up positions in cash management, foreign exchange and debt capital markets in three of four Nordic countries. The highly satisfactory results confirmed Danske Bank's position as a leading wholesale bank in the Nordic region and also showed an increase in client satisfaction.

Second quarter 2013 vs first quarter 2012



In the second quarter of 2013, total income fell 11% from the level in the first quarter to DKK 2.1 billion. The main reason for the decrease was reduced net trading income from Market Making. Market sentiment varied significantly over the second quarter. At the beginning, the combined efforts of central banks improved market conditions, but towards the end of the period, market sentiment worsened, initially in the emerging markets, then in the peripheral euro zone.

The surprising market reaction to the Fed's announcement that it would scale down its quantitative easing increased uncertainty among many market participants. This created difficult market conditions towards the end of the second quarter.

General Banking income matched the first-quarter level as both net interest income and net fee income remained high. Net interest income was driven by higher lending margins as market conditions remained uncertain. Net fee income was driven by activity in loan establishment and refinancing.

In Capital Markets, bond issuance remained at the highly satisfactory level of the first quarter in spite of generally lower market activity. Corporate Finance continued to work on building the pipeline in the second quarter, and fees increased slightly, though at low levels.

Sales and Research had another good quarter, although income fell from the level in the first quarter. Earnings from client-driven trading in government bonds remained at the high level from the first quarter, while derivatives and equities income fell slightly.

Market Making income decreased as the Fed announcement created erratic market conditions that resulted in lower income, especially from government bonds. Foreign exchange products and money markets were at the same level as in the first quarter, however. Equity trading saw a small decrease but still delivered a satisfactory result.

Expenses increased 4%, mainly because of higher IT investments and staff costs.

Impairments were close to nil in the second quarter, with only minor new impairments and minor reversals.

First half 2013 vs first half 2012

At DKK 4.5 billion, total income in the first half of 2013 was satisfactory despite a fall of 32% compared with the extraordinarily high income in the same period last year. The main reason for the very high income in the first half of 2012 was Market Making's ability to profit from the positive market sentiment that followed the ECB's introduction of the LTRO programmes.

General Banking income rose 9%, reflecting an increase in net interest and net fee income.

In the first half of 2013, Capital Markets saw an increase in bond issuance, although market activity fell.

Sales and Research performed well in all product areas. Client demand for hedging of financial risks was particularly strong.

Overall, income from client-driven activity from these three business areas rose 7% from the level in the first half of 2012, which was satisfactory.

Expenses were up 3%, mainly because of higher IT investments and staff costs.

Impairments fell during the first half of 2013 and were down 42% p.a. from the level in the same period last year.

Credit exposure

At 30 June 2013, total credit exposure from lending activities was down 2.7% from year-end 2012 to DKK 759 billion.

Over the past six quarters, impairments have fluctuated. Because of the nature of our business, impairments are expected to fluctuate quarter on quarter.

The loan portfolio is deemed to be strong.

Accumulated impairments, which totalled DKK 3.1 billion, related mainly to large corporate clients. In the second quarter of 2013, there were no large impairment charges at Corporates & Institutions.

Large corporate clients

Credit exposure to corporate clients amounted to DKK 274 billion. The corporate portfolio is a diverse portfolio consisting mainly of large companies based in the Nordic countries and large international clients with activities in the Nordic region.

| (DKK millions) | Credit exposure | Credit exposure | Impairment |
|------------------------|-----------------|------------------|----------------------------|
| | 30 June 2013 | 31 December 2012 | (ann.) (%) 30 June 2013 |
| Sovereign | 118,800 | 149,796 | 0.00 |
| Financial institutions | 364,744 | 352,140 | 0.00 |
| Corporate | 274,373 | 276,290 | 0.04 |
| Other | 1,242 | 2,374 | -0.09 |
| Total | 759,159 | 780,600 | 0.02 |

Public institutions

The public institutions portfolio consisted primarily of exposure to the stable and highly rated Nordic sovereigns. Credit exposure amounted to DKK 119 billion. The decrease from the year-end 2012 figure was driven by lower demand deposit exposure to central banks.

At 30 June 2013, credit exposure to AAA-rated sovereigns and central banks represented 94% of credit exposure.

Financial institutions

Credit exposure to financial institutions amounted to DKK 365 billion. Most of the exposure consisted of repo lending facilities.

DANSKE CAPITAL

DANSKE CAPITAL DEVELOPS AND PROVIDES ASSET AND WEALTH MANAGEMENT PRODUCTS AND SERVICES THAT ARE MARKETED THROUGH PERSONAL BANKING AND DIRECTLY TO BUSINESSES, INSTITUTIONAL CLIENTS AND EXTERNAL DISTRIBUTORS. THE UNIT ALSO SUPPORTS ADVISORY AND ASSET MANAGEMENT SERVICES FOR SOME PERSONAL BANKING CUSTOMER SEGMENTS.

New Standards strategy

At Danske Capital, the strategic focus is on

- delivering competitive investment performance
- developing attractive investment products and concepts
- increasing sales to retail customers and institutional clients

Danske Capital continues to deliver value to customers through competitive investment returns and attractive investment solutions. It is gratifying that this is resulting in steadily increasing sales and profits.

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- PROFIT BEFORE TAX OF DKK 0.2 BILLION, UP 9%
- TOTAL INCOME OF DKK 0.4 BILLION, DOWN 6%
- EXPENSES OF DKK 0.2 BILLION, ON A PAR WITH THE LEVEL IN Q1
- ASSETS UNDER MANAGEMENT OF DKK 704 BILLION, MATCHING THE LEVEL IN Q1

Profit before tax was flat from the first quarter to the second quarter as lower fee income was offset by reduced costs. Asset under management increased 11% year-on-year, reflecting improved sales to institutional clients and retail customers.



EMPLOYEES



MARKET SHARE IN THE
NORDIC REGION



PROFIT BEFORE TAX

| DANSKE CAPITAL (DKK millions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|---|--------------------|--------------------|----------------|------------|------------|------------|------------|------------|-------------------|
| Net interest income | -17 | -11 | - | -8 | -9 | -7 | -7 | -6 | -25 |
| Net fee income | 941 | 724 | 130 | 454 | 487 | 821 | 400 | 378 | 1,945 |
| Other income | 5 | -4 | - | 3 | 2 | -1 | 2 | 1 | -3 |
| Total income | 929 | 709 | 131 | 449 | 480 | 813 | 395 | 373 | 1,917 |
| Expenses | 491 | 456 | 108 | 221 | 270 | 316 | 210 | 227 | 982 |
| Profit before loan impairment charges | 438 | 253 | 173 | 228 | 210 | 497 | 185 | 146 | 935 |
| Loan impairment charges | - | - | - | - | - | - | - | - | - |
| Profit before tax | 438 | 253 | 173 | 228 | 210 | 497 | 185 | 146 | 935 |
| Loans and advances | 237 | 210 | 113 | 237 | 238 | 211 | 209 | 210 | 211 |
| Allowance account, total | - | - | - | - | - | - | - | - | - |
| Deposits | 200 | 219 | 91 | 200 | 228 | 155 | 178 | 219 | 155 |
| Allocated capital (average) | 2,510 | 2,281 | 110 | 2,538 | 2,499 | 2,394 | 2,330 | 2,284 | 2,321 |
| Cost/income ratio (%) | 52.9 | 64.3 | | 49.2 | 56.3 | 38.9 | 53.2 | 60.9 | 51.2 |
| Assets under management (DKK billions) | 704 | 636 | 111 | 704 | 722 | 687 | 666 | 636 | 687 |

Competitive investment performance

Generating high investment returns to customers has always been a priority at Danske Capital. In the first half of 2013, some 74% of all Danske Invest funds generated above-benchmark returns. Of the bond-based funds, 85% delivered above-benchmark returns, and for equity-based funds, the figure was 70%. Of balanced products, 62% performed above their benchmarks. Some 38% of Danske Invest funds ranked in the top third of European funds in their categories.

In the first half of 2013, Morningstar ranked Danske Invest the best mutual fund group in Denmark at managing equities for the fifth time in a row.

Danske Invest Hedge Fixed Income Strategies was named the “Best Hedge Fund, Europe” by the International Alternative Investment Review. The fund, which generated returns of 33.7% in 2012 and 9.5% in the first half of 2013, also received the 2013 HFM award for the second year in a row. Morningstar also ranked Danske Invest Norway II Fund the best Norwegian equity fund in 2013.

Attractive investment products and concepts

Having the right investment product or concept for the individual customer’s needs is always in focus. In 2013, Danske Capital focuses on

- expansion of the hedge fund product range
- introduction of alternative investment solutions
- managed accounts (expansion of product range)
- selected new product launches

The hedge fund area has been quite successful, with total assets under management at the end of June 2013 of DKK 10 billion, an increase of 80% from June 2012. The latest product launch was Danske Invest Europe Long-Short Dynamic, which has raised DKK 1.4 billion since the beginning of 2013.

In addition, Danske Capital has built a centre of competence for alternative investment solutions. Assets under management amounted to DKK 16 billion at 30 June 2013.

The managed account concept was expanded in late 2012 through the new *Danske Porteføljepleje* product, which is offered to personal and private banking customers in Denmark. The product should be seen as the logical next step in the *FlexInvest Fri* concept in Denmark and the fund-of-fund solutions offered outside Denmark. The fund-of-fund solutions have been introduced gradually over the past few years and had assets under management of DKK 82 billion at the end of June 2013. The new managed accounts concept has been rolled out in Sweden and Finland and will be introduced in Norway later this year. At 30 June 2013, assets under management amounted to DKK 9.7 billion.

Finally, Danske Capital introduced new products such as the Danske Invest Emerging and Frontier SMID fund, whose assets under management amounted to DKK 2.3 billion at the end of June 2013.

Higher retail and institutional sales

Another focus area is translating the competitive investment returns and attractive investment solutions into higher sales to both retail customers and institutional clients. Net sales for the first half of 2013 totalled DKK 28 billion: DKK 9 billion to retail customers and DKK 19 billion to institutional clients. Sales to retail customers consisted mainly of balanced products and alternative investment solutions, which together accounted for DKK 7 billion, or almost 70% of total net sales. Retail net sales came from all of the Nordic countries: 37% from Denmark, 14% from Norway, 27% from Finland and 22% from Sweden.

Net sales to institutional clients of DKK 19 billion consisted of sales to solution customers of DKK 7 billion, sales to third-party distributors of DKK 4 billion, and sales to alpha customers, including the life insurance and pensions segments, of DKK 8 billion.

The solution concept for institutional clients is used in Denmark and Finland and will be rolled out in Sweden and Norway later. At 30 June 2013, assets under management amounted to DKK 116 billion, up 15% since 30 June 2012.

Second quarter 2013 vs first quarter 2013

Total income fell 6% from DKK 480 million in the first quarter to DKK 449 million. Income in the first quarter benefited from performance-related fees of DKK 50 million, whereas second-quarter performance fees amounted to DKK 13 million. Non-performance-related income was up 2%, as average assets under management rose 1% from DKK 709 billion in the first quarter to DKK 717 billion in the second quarter.

Total expenses fell 18%, primarily because the first quarter included a provision for possible losses.

First half 2013 vs first half 2012

Total income rose from DKK 709 million in the first half of 2012 to DKK 929 million in the first half of 2013, a gain of 31%. Performance-related fees rose from DKK -11 million to DKK 63 million. Non-performance-related income was up 20%.

Total expenses rose 8% above the level in the first half of 2012. Excluding the loss provision, total expenses were down 1%.

Profit before tax was up 73%.

Assets under management amounted to DKK 704 billion, up DKK 68 billion from the end of June 2012. In the past 12 months, net sales to institutional clients and retail customers totalled DKK 46 billion.

DANICA PENSION

DANICA PENSION PROVIDES LIFE INSURANCE AND PENSION PRODUCTS TO BOTH PERSONAL AND BUSINESS CUSTOMERS. OUR PRODUCTS ARE MARKETED THROUGH A RANGE OF CHANNELS, PRIMARILY PERSONAL BANKING AND OWN INSURANCE BROKERS AND ADVISERS. WE OFFER THREE UNIT-LINKED PRODUCTS ON THE DANISH MARKET: DANICA BALANCE, DANICA LINK AND DANICA SELECT. FOR THESE PRODUCTS, CUSTOMERS CHOOSE AN INVESTMENT PROFILE, AND THE RETURN DEPENDS ON MARKET DEVELOPMENTS. WE ALSO OFFER DANICA TRADITIONEL. WITH THIS PRODUCT, CUSTOMERS DO NOT HAVE ANY INFLUENCE ON THE INVESTMENT PROFILE, AND DANICA PENSION SETS THE RATE OF INTEREST ON POLICY-HOLDERS' SAVINGS.

Danica Pension's financial results were adversely affected by negative returns on the financial markets towards the end of the second quarter of 2013, when the prices of shares and credit bonds declined. We continue to streamline our operations, reducing the expense ratio in Denmark to 4.0%. Over the past five years, we have reduced the expense ratio by an average of 8% a year. In the first half of 2013, Danske Bank's sales of Danica products increased 19%, underlining the focus on enhancing solutions together with Danske Bank.

New Standards strategy

At Danica Pension, the strategic focus is on

- providing financial security to customers
- simplifying customer services
- enhancing solutions together with Danske Bank
- developing the investment portfolio

KEY DEVELOPMENTS

- NET INCOME OF A NEGATIVE DKK 0.3 BILLION, AGAINST DKK 0.3 BILLION FOR Q1 2013
- RISK ALLOWANCE POSTPONED TO A LATER PERIOD
- PREMIUMS ON INSURANCE AND INVESTMENT CONTRACTS UP 11% FROM FIRST HALF 2012
- EXPENSE RATIO OF 4.0 %, DOWN 0.5 OF A PERCENTAGE POINT FROM FIRST HALF 2012

The turbulence on the financial markets in June meant that the net income from insurance business for the second quarter was negative. The risk allowance was booked for only one of the four interest rate groups, and DKK 0.6 billion was transferred to the shadow account.

>  789

EMPLOYEES

>  DKK -346m

INCOME

>  DKK 6,372m

TOTAL PREMIUMS

| DANICA PENSION (DKK millions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|---|--------------------|--------------------|----------------|------------|------------|------------|------------|------------|-------------------|
| Danica Traditional | 609 | 615 | 99 | 287 | 322 | 282 | 335 | 294 | 1,232 |
| Unit-linked business | 230 | 177 | 130 | 109 | 121 | 100 | 90 | 103 | 367 |
| Health and accident business | -86 | -53 | - | -27 | -59 | -52 | -41 | -33 | -146 |
| Return on investments | 69 | 303 | 23 | -27 | 96 | 86 | 132 | 91 | 521 |
| Financing result | -87 | -87 | - | -43 | -44 | -57 | -50 | -45 | -194 |
| Special allotment | -95 | -44 | - | -32 | -63 | 52 | -25 | -40 | -17 |
| Change in shadow account | -645 | -68 | - | -613 | -32 | 514 | -38 | 309 | 408 |
| Net income from insurance business | -5 | 843 | - | -346 | 341 | 925 | 403 | 679 | 2,171 |
| Premiums, insurance contracts | 10,324 | 10,099 | 102 | 4,811 | 5,513 | 5,105 | 4,780 | 4,634 | 19,984 |
| Premiums, investment contracts | 3,701 | 2,505 | 148 | 1,561 | 2,140 | 1,177 | 983 | 1,082 | 4,665 |
| Provisions, insurance contracts | 257,435 | 250,833 | 103 | 257,435 | 262,054 | 259,726 | 256,417 | 250,833 | 259,726 |
| Provisions, investment contracts | 31,160 | 26,463 | 118 | 31,160 | 31,962 | 29,071 | 28,583 | 26,463 | 29,071 |
| Customer funds, investment assets | | | | | | | | | |
| Danica Traditional | 174,203 | 191,965 | 91 | 174,203 | 190,104 | 195,106 | 193,379 | 191,965 | 195,106 |
| Danica Balance | 52,587 | 33,179 | 158 | 52,587 | 45,690 | 41,108 | 36,585 | 33,179 | 41,108 |
| Danica Link | 56,898 | 50,330 | 113 | 56,898 | 58,395 | 54,731 | 53,689 | 50,330 | 54,731 |
| Allocated capital (average) | 11,375 | 10,764 | 106 | 11,048 | 11,483 | 11,707 | 11,073 | 10,527 | 11,077 |
| Net income as % p.a. of allocated capital | -0.1 | 15.7 | | -12.5 | 11.9 | 31.6 | 14.6 | 25.8 | 19.6 |

Providing financial security to customers

Danica Pension is developing new digital solutions and working to improve customers' financial overview. We also offer new products to maximise customers' benefits from changes in legislation.

In 2012, the Danish parliament voted to phase out capital pension schemes and introduce a new type of pension scheme called the retirement savings scheme (*aldersopsparing*).

As part of the pension reform, customers can convert existing capital pension schemes to retirement

savings schemes in 2013 and 2014 by paying a lower tax charge than the standard rate. We expect that many customers will take advantage of this opportunity. Going forward, we believe that many customers can benefit from paying into retirement savings schemes. This includes customers in the lowest tax bracket, because one of the most advantageous elements of the new scheme is that payments will not be offset against various social benefits.

Simplifying customer services

We have begun the process of simplifying customer services. Customers can look forward to having

better, faster and easier access to products and services, and we will free up employee resources for customer-facing activities. We are confident that the process will enhance the customer experience and lead to an improvement in customer satisfaction in the long term. We also expect to reduce expenses.

Enhancing solutions together with Danske Bank

Danica Pension and Danske Bank want to enhance advisory services within banking and insurance. We have hired more advisers and are working to improve our advisory tools, for example for customers who are nearing retirement age. In the first half of 2013, Danske Bank's sales of Danica products increased 19%.

Developing our investment portfolio

We regularly seek new investment opportunities in order to increase earnings and diversify risks. Recent investments include urban development projects and forest investments.

Second quarter 2013 vs first quarter 2013

Income from insurance business was a negative DKK 0.3 billion, against DKK 0.3 billion in the first quarter of 2013. Because of the adverse developments in the financial markets, the risk allowance could be booked to income for only one of the four interest rate groups. As a result, DKK 0.6 billion was transferred to the shadow account, which at the end of June 2013 stood at DKK 1.4 billion. The shadow account balance will be booked at a later date when the return on investments permits and sufficient buffers have been established.

The return on investment of *Danica Traditional* customer funds was a negative 6.7% p.a., against 1.9% p.a. in the first quarter. Including changes in technical provisions, the return on customer funds was a negative 4.0% p.a.

The return on investment for customers with the *Danica Balance*, *Danica Link* and *Danica Select* unit-linked products was a negative DKK 1.0 billion, representing an average rate of return of -4.9% p.a., against 19.1% p.a. in the first quarter.

First half 2013 vs first half 2012

Income from insurance business amounted to DKK 0.0 billion, against DKK 0.8 billion in the first half of 2012.

The return on investment of *Danica Traditional* customer funds was a negative 2.4% p.a., against 9.8% p.a. in the first half of 2012. Including changes in technical provisions, the return on customer funds was 0.1% p.a.

The return on investment for customers with the *Danica Balance*, *Danica Link* and *Danica Select* products was DKK 2.0 billion, representing an average rate of return of 6.5% p.a., against 10.5% p.a. in the first half of 2012.

Driven by higher business volume, the result for the unit-linked business increased from DKK 177 million in the first half of 2012 to DKK 230 million in the first half of 2013.

Total Danish premiums rose 3.6% to DKK 9.4 billion. Premiums for the *Danica Balance*, *Danica Link* and *Danica Select* products amounted to DKK 13.0 billion and included transfers from *Danica Traditional*. As expected, total premiums for *Danica Traditional* decreased, falling 12.4% to DKK 2.8 billion.

In autumn 2012 and spring 2013, some 50,000 customers in the medium and high guaranteed interest rate groups were offered the possibility of switching from their conventional product to *Danica Balance*. A compensation is given to the customers for forfeiting their guarantees. Some 22% of the customers took the offer, and in the first half of 2013, provisions of DKK 5.7 billion were transferred from *Danica Traditional* to *Danica Balance*.

At the Swedish unit, total premiums rose 36% to DKK 3.6 billion, reflecting increased sales of the custody account savings product.

At the Norwegian unit, total premiums rose 22% to DKK 1.0 billion.

NON-CORE

THE NON-CORE BUSINESS UNIT IS RESPONSIBLE FOR THE CONTROLLED WINDING-UP OF THE LOAN PORTFOLIO THAT IS NO LONGER CONSIDERED PART OF DANSKE BANK'S CORE ACTIVITIES. THE PORTFOLIO CONSISTS MAINLY OF LOANS TO CUSTOMERS IN IRELAND, AND WE AIM TO WIND UP OR DIVEST THESE EXPOSURES.

In the second quarter of 2013, we continued to reduce the Non-core loan portfolio. Impairments declined for the fourth consecutive quarter because of lower impairments against commercial property customers in Ireland.

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- PROFIT BEFORE TAX OF A NEGATIVE DKK 0.3 BILLION, AN IMPROVEMENT OF DKK 0.2 BILLION
- IMPAIRMENTS OF DKK 0.2 BILLION, DOWN 61%
- LOAN PORTFOLIO DOWN DKK 1.5 BILLION



EMPLOYEES



LOAN IMPAIRMENTS



PROFIT BEFORE TAX

| NON-CORE (DKK millions) | First half 2013 | First half 2012 | Index 13/12 | Q2 2013 | Q1 2013 | Q4 2012 | Q3 2012 | Q2 2012 | Full year 2012 |
|--|--------------------|--------------------|----------------|------------|------------|------------|------------|------------|-------------------|
| Total income | 86 | 149 | 58 | 31 | 55 | 95 | 79 | 53 | 323 |
| Expenses | 129 | 122 | 106 | 75 | 54 | 75 | 78 | 62 | 275 |
| Profit before loan impairment charges | -43 | 27 | - | -44 | 1 | 20 | 1 | -9 | 48 |
| Loan impairment charges | 766 | 2,433 | 31 | 216 | 550 | 1,199 | 1,217 | 1,424 | 4,849 |
| Profit before tax | -809 | -2,406 | - | -260 | -549 | -1,179 | -1,216 | -1,433 | -4,801 |
| Loans and advances | 41,116 | 58,220 | 71 | 41,116 | 42,575 | 44,537 | 46,463 | 58,220 | 44,537 |
| Allowance account, total | 10,845 | 16,673 | 65 | 10,845 | 11,158 | 11,638 | 10,023 | 16,673 | 11,638 |
| Deposits | 5,134 | 5,328 | 96 | 5,134 | 4,263 | 4,748 | 5,872 | 5,328 | 4,748 |
| Allocated capital (average) | 8,020 | 10,294 | 78 | 8,480 | 7,554 | 8,532 | 8,964 | 11,181 | 9,521 |
| Net interest income as % p.a. of loans and deposits | 0.43 | 0.63 | | 0.32 | 0.54 | 0.77 | 0.61 | 0.50 | 0.81 |
| Profit before loan impairment charges as % p.a. of allocated capital | -1.1 | 0.5 | | -2.2 | 0.1 | 0.9 | 0.0 | -0.3 | 0.5 |
| Profit before tax as % p.a. of allocated capital (ROE) | -20.2 | -46.7 | | -12.3 | -29.1 | -55.3 | -54.3 | -51.3 | -50.4 |
| Cost/income ratio (%) | 150.0 | 81.9 | | 241.9 | 98.2 | 78.9 | 98.7 | 117.0 | 85.1 |
| Full-time-equivalent staff | 91 | 90 | 101 | 91 | 88 | 93 | 94 | 90 | 93 |

Second quarter 2013 vs first quarter 2013

At DKK 31 million, total income was down DKK 24 million as a result of a reduction in gross lending.

Impairments were down DKK 334 million because of lower impairments on the commercial property portfolio.

Lending amounted to DKK 41.1 billion and consisted mainly of commercial and investment property exposures, conduits and exposure to personal customers with buy-to-let facilities. Total lending fell DKK 1.5 billion from the first quarter of 2013 as a result of asset sales and write-offs.

First half 2013 vs first half 2012

Impairments fell DKK 1.7 billion to DKK 0.8 billion. The large decline was attributable to lower impairments against commercial property customers in Ireland.

Total lending fell DKK 17.1 billion from the first half of 2012 as a result of asset sales and write-offs.

Asset quality of credit portfolio

Credit exposure totalled DKK 31.5 billion at the end of June 2013, against DKK 34.5 billion at the end of December 2012. Exposure to customers in Ireland and institutional customers amounted to DKK 16.9 billion and DKK 14.6 billion, respectively. Accumulated impairments amounted to DKK 10.8 billion and related primarily to the Irish portfolio.

Non-core Ireland

Commercial property and buy-to-let exposures amounted to DKK 6.0 billion and DKK 7.2 billion, respectively.

Impairments declined for the fourth consecutive quarter, largely because of lower impairments against the commercial property portfolio. Impairments related mainly to adjustment charges against already impaired exposures due to declining commercial property values.

| (DKK millions) | Credit exposure | Credit exposure | Impairment |
|---------------------------------|-----------------|-----------------|--------------------------|
| | Q2 2013 | Q4 2012 | (ann.) (%) Q2 2013 |
| Commercial property | 6,038 | 7,206 | 6.83 |
| Consumer discretionary | 1,307 | 1,437 | 28.67 |
| Buy-to-let (personal customers) | 7,219 | 7,142 | 0.62 |
| Other | 2,374 | 2,531 | 8.38 |
| Total | 16,938 | 18,316 | 6.33 |

Credit exposure to personal customers related mainly to buy-to-let facilities. The LTV ratio of the personal customer portfolio was 117%, against 120% at the end of 2012.

Non-core institutional customers

The institutional customer portfolio consists of conduit exposures. The portfolio maintained good credit quality, and at the end of the second quarter, the share of non-performing loans was limited.

Over the past year, the exposure to conduits has been reduced 51% to DKK 13.9 billion.

Income statement – Danske Bank Group

| Note | (DKK millions) | First half 2013 | First half 2012 | Q2 2013 | Q2 2012 | Full year 2012 |
|------|---|--------------------|--------------------|------------|------------|-------------------|
| | Interest income | 36,210 | 40,336 | 18,191 | 19,967 | 77,939 |
| | Interest expense | 19,498 | 22,548 | 9,776 | 11,000 | 42,985 |
| | Net interest income | 16,712 | 17,788 | 8,415 | 8,967 | 34,954 |
| | Fee income | 6,258 | 5,802 | 3,141 | 2,761 | 12,168 |
| | Fee expenses | 2,152 | 1,987 | 1,098 | 1,010 | 3,935 |
| | Net trading income | 3,093 | 6,138 | -841 | -216 | 12,735 |
| | Other income | 1,756 | 2,581 | 980 | 1,488 | 4,451 |
| | Net premiums | 10,279 | 10,000 | 4,837 | 4,677 | 19,858 |
| | Net insurance benefits | 15,134 | 14,986 | 5,358 | 4,070 | 31,089 |
| | Income from associates | 341 | 79 | 402 | 48 | 166 |
| | Profit on sale of associates and group undertakings | - | 2 | - | - | 6 |
| | Staff costs and administrative expenses | 11,910 | 12,226 | 6,044 | 6,162 | 24,554 |
| 3 | Amortisation, depreciation and impairment charges | 1,201 | 2,085 | 617 | 874 | 3,692 |
| | Profit before loan impairment charges | 8,042 | 11,106 | 3,817 | 5,609 | 21,068 |
| | Loan impairment charges | 3,149 | 7,031 | 1,140 | 3,109 | 12,529 |
| | Profit before tax | 4,893 | 4,075 | 2,677 | 2,500 | 8,539 |
| | Tax | 1,237 | 1,802 | 493 | 1,005 | 3,814 |
| | Net profit for the period | 3,656 | 2,273 | 2,184 | 1,495 | 4,725 |
| | Portion attributable to shareholders of Danske Bank A/S (the Parent Company) | 3,656 | 2,274 | 2,184 | 1,496 | 4,721 |
| | non-controlling interests | - | -1 | - | -1 | 4 |
| | Net profit for the period | 3,656 | 2,273 | 2,184 | 1,495 | 4,725 |
| | Earnings per share (DKK) | 3.7 | 2.5 | 2.2 | 1.6 | 5.1 |
| | Diluted earnings per share (DKK) | 3.7 | 2.5 | 2.2 | 1.6 | 5.1 |
| | Proposed dividend per share (DKK) | - | - | - | - | - |

Statement of comprehensive income – Danske Bank Group

| (DKK millions) | First half 2013 | First half 2012 | Q2 2013 | Q2 2012 | Full year 2012 |
|--|--------------------|--------------------|------------|------------|-------------------|
| Net profit for the period | 3,656 | 2,273 | 2,184 | 1,495 | 4,725 |
| Other comprehensive income | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| Remeasurement of defined benefit plans | -242 | -745 | -266 | -1,309 | -590 |
| Tax | 82 | 134 | 38 | 263 | 51 |
| Items that will not be reclassified to profit or loss | -160 | -611 | -228 | -1,046 | -539 |
| Items that are or may be reclassified subsequently to profit or loss | | | | | |
| Translation of units outside Denmark | -637 | 341 | -237 | 293 | 472 |
| Hedging of units outside Denmark | 595 | -468 | 196 | -377 | -481 |
| Unrealised value adjustments of available-for-sale financial assets | 627 | 204 | 297 | -264 | 605 |
| Realised value adjustments of available-for-sale financial assets | -10 | 13 | -4 | - | 125 |
| Tax | -267 | 34 | -116 | 148 | -88 |
| Items that are or may be reclassified subsequently to profit or loss | 308 | 124 | 136 | -200 | 633 |
| Total other comprehensive income | 148 | -487 | -92 | -1,246 | 94 |
| Total comprehensive income for the period | 3,804 | 1,786 | 2,092 | 249 | 4,819 |
| Portion attributable to | | | | | |
| shareholders of Danske Bank A/S (the Parent Company) | 3,804 | 1,787 | 2,092 | 250 | 4,815 |
| non-controlling interests | - | -1 | - | -1 | 4 |
| Total comprehensive income for the period | 3,804 | 1,786 | 2,092 | 249 | 4,819 |

Balance sheet – Danske Bank Group

| Note | (DKK millions) | 30 June 2013 | 31 December 2012 | 30 June 2012 |
|-----------------------------|--|------------------|---------------------|------------------|
| ASSETS | | | | |
| | Cash in hand and demand deposits with central banks | 66,277 | 97,267 | 36,906 |
| | Due from credit institutions and central banks | 165,435 | 200,646 | 154,362 |
| | Trading portfolio assets | 721,432 | 812,927 | 862,938 |
| | Investment securities | 121,526 | 107,724 | 105,480 |
| | Loans and advances at amortised cost | 1,152,056 | 1,161,816 | 1,242,280 |
| | Loans at fair value | 726,433 | 732,762 | 721,637 |
| | Assets under pooled schemes and unit-linked investment contracts | 69,687 | 70,625 | 65,377 |
| | Assets under insurance contracts | 239,839 | 241,343 | 237,717 |
| | Holdings in associates | 1,421 | 1,118 | 1,086 |
| | Intangible assets | 20,777 | 21,181 | 21,603 |
| | Investment property | 4,118 | 4,131 | 4,256 |
| | Tangible assets | 6,347 | 6,544 | 6,756 |
| | Current tax assets | 274 | 147 | 355 |
| | Deferred tax assets | 1,300 | 1,418 | 1,891 |
| | Other assets | 20,182 | 25,300 | 17,704 |
| | Total assets | 3,317,104 | 3,484,949 | 3,480,348 |
| LIABILITIES | | | | |
| | Due to credit institutions and central banks | 415,999 | 459,932 | 515,557 |
| | Trading portfolio liabilities | 455,351 | 531,860 | 628,008 |
| | Deposits | 900,358 | 929,092 | 854,036 |
| | Bonds issued by Realkredit Danmark | 616,457 | 614,325 | 596,837 |
| | Deposits under pooled schemes and unit-linked investment contracts | 79,128 | 78,741 | 73,368 |
| | Liabilities under insurance contracts | 261,088 | 266,938 | 258,367 |
| 8 | Other issued bonds | 342,280 | 340,005 | 316,967 |
| | Current tax liabilities | 569 | 575 | 178 |
| | Deferred tax liabilities | 7,571 | 7,583 | 6,710 |
| | Other liabilities | 37,774 | 50,109 | 39,909 |
| | Subordinated debt | 58,905 | 67,785 | 62,584 |
| | Total liabilities | 3,175,480 | 3,346,945 | 3,352,521 |
| SHAREHOLDERS' EQUITY | | | | |
| | Share capital | 10,086 | 10,086 | 9,317 |
| | Foreign currency translation reserve | -237 | -195 | -313 |
| | Reserve for available-for-sale financial assets | -906 | -1,523 | -2,036 |
| | Retained earnings | 132,681 | 129,632 | 120,859 |
| | Proposed dividends | - | - | - |
| | Shareholders of Danske Bank A/S (the Parent Company) | 141,624 | 138,000 | 127,827 |
| | Non-controlling interests | - | 4 | - |
| | Total shareholders' equity | 141,624 | 138,004 | 127,827 |
| | Total liabilities and equity | 3,317,104 | 3,484,949 | 3,480,348 |

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 2013 | 10,086 | -195 | -1,523 | 129,862 | - | 138,230 | 4 | 138,234 |
| Changed recognition of defined benefit plans | - | - | - | -230 | - | -230 | - | -230 |
| Restated shareholders' equity at 1 January 2013 | 10,086 | -195 | -1,523 | 129,632 | - | 138,000 | 4 | 138,004 |
| Net profit for the period | - | - | - | 3,656 | - | 3,656 | - | 3,656 |
| Other comprehensive income | | | | | | | | |
| Remeasurement of defined benefit plans | - | - | - | -242 | - | -242 | - | -242 |
| Translation of units outside Denmark | - | -637 | - | - | - | -637 | - | -637 |
| Hedging of units outside Denmark | - | 595 | - | - | - | 595 | - | 595 |
| Unrealised value adjustments | - | - | 627 | - | - | 627 | - | 627 |
| Realised value adjustments | - | - | -10 | - | - | -10 | - | -10 |
| Tax | - | - | - | -185 | - | -185 | - | -185 |
| Total other comprehensive income | - | -42 | 617 | -427 | - | 148 | - | 148 |
| Total comprehensive income for the period | - | -42 | 617 | 3,229 | - | 3,804 | - | 3,804 |
| Transactions with owners | | | | | | | | |
| Dividends paid | - | - | - | - | - | - | -4 | -4 |
| Acquisition of own shares | - | - | - | -8,766 | - | -8,766 | - | -8,766 |
| Sale of own shares | - | - | - | 8,610 | - | 8,610 | - | 8,610 |
| Share-based payments | - | - | - | - | - | - | - | - |
| Tax | - | - | - | -24 | - | -24 | - | -24 |
| Shareholders' equity at 30 June 2013 | 10,086 | -237 | -906 | 132,681 | - | 141,624 | - | 141,624 |
| Shareholders' equity at 1 January 2012 | 9,317 | -186 | -2,253 | 118,917 | - | 125,795 | 60 | 125,855 |
| Changed recognition of defined benefit plans | - | - | - | 333 | - | 333 | - | 333 |
| Restated shareholders' equity at 1 January 2012 | 9,317 | -186 | -2,253 | 119,250 | - | 126,128 | 60 | 126,188 |
| Net profit for the period | - | - | - | 2,274 | - | 2,274 | -1 | 2,273 |
| Other comprehensive income | | | | | | | | |
| Remeasurement of defined benefit plans | - | - | - | -745 | - | -745 | - | -745 |
| Translation of units outside Denmark | - | 341 | - | - | - | 341 | - | 341 |
| Hedging of units outside Denmark | - | -468 | - | - | - | -468 | - | -468 |
| Unrealised value adjustments | - | - | 204 | - | - | 204 | - | 204 |
| Realised value adjustments | - | - | 13 | - | - | 13 | - | 13 |
| Tax | - | - | - | 168 | - | 168 | - | 168 |
| Total other comprehensive income | - | -127 | 217 | -577 | - | -487 | - | -487 |
| Total comprehensive income for the period | - | -127 | 217 | 1,697 | - | 1,787 | -1 | 1,786 |
| Transactions with owners | | | | | | | | |
| Dividends paid | - | - | - | - | - | - | -14 | -14 |
| Acquisition of own shares | - | - | - | -7,719 | - | -7,719 | - | -7,719 |
| Sale of own shares | - | - | - | 7,599 | - | 7,599 | - | 7,599 |
| Share-based payments | - | - | - | - | - | - | - | - |
| Acquisition of non-controlling interests | - | - | - | - | - | - | -45 | -45 |
| Tax | - | - | - | 32 | - | 32 | - | 32 |
| Shareholders' equity at 30 June 2012 | 9,317 | -313 | -2,036 | 120,859 | - | 127,827 | - | 127,827 |

Statement of capital – Danske Bank Group

| (DKK millions) | 30 June 2013 | 31 December 2012 | 30 June 2012 |
|--|-----------------|---------------------|-----------------|
| For as long as the Danish state holds hybrid capital in Danske Bank, Danske Bank A/S may distribute dividends if such dividends can be paid in full out of the net profit. | | | |
| Share capital (DKK) | 10,086,200,000 | 10,086,200,000 | 9,317,390,340 |
| Number of shares | 1,008,620,000 | 1,008,620,000 | 931,739,034 |
| Number of shares outstanding | 1,000,524,901 | 1,001,694,581 | 925,590,320 |
| Average number of shares outstanding for the period | 1,000,838,723 | 938,770,538 | 926,668,260 |
| Average number of shares outstanding, including dilutive shares, for the period | 1,001,054,551 | 938,770,538 | 926,668,260 |
| Capital base and total capital ratio | | | |
| Shareholders' equity | 141,624 | 138,004 | 127,827 |
| Revaluation of domicile property at fair value | 1,189 | 1,048 | 1,247 |
| Tax effect | -224 | -62 | -36 |
| Reserves in undertakings consolidated on a pro rata basis | 3,002 | 3,002 | 3,002 |
| Shareholders' equity calculated in accordance with the rules of the Danish FSA | 145,591 | 141,992 | 132,040 |
| Expected dividends | -1,210 | - | -760 |
| Intangible assets of banking operations | -20,893 | -21,279 | -21,485 |
| Deferred tax assets | -1,353 | -1,389 | -1,865 |
| Deferred tax on intangible assets | 588 | 642 | 715 |
| Revaluation of domicile property | -639 | -642 | -638 |
| Other statutory deductions | -227 | -227 | -71 |
| Core tier 1 capital | 121,857 | 119,097 | 107,936 |
| Hybrid capital | 40,037 | 40,248 | 40,612 |
| Difference between expected losses and impairment charges | - | - | - |
| Statutory deduction for insurance subsidiaries | -4,090 | -4,292 | -4,230 |
| Other statutory deductions | -19 | -19 | - |
| Tier 1 capital | 157,785 | 155,034 | 144,318 |
| Subordinated debt, excluding hybrid capital | 15,721 | 23,009 | 17,535 |
| Revaluation of domicile property | 639 | 642 | 638 |
| Difference between expected losses and impairment charges | - | - | - |
| Statutory deduction for insurance subsidiaries | -4,090 | -4,292 | -4,230 |
| Other statutory deductions | -19 | -19 | - |
| Capital base | 170,036 | 174,374 | 158,261 |
| Risk-weighted assets | 778,848 | 819,436 | 892,510 |
| Core tier 1 capital ratio (%) | 15.6 | 14.5 | 12.1 |
| Tier 1 capital ratio (%) | 20.3 | 18.9 | 16.2 |
| Total capital ratio (%) | 21.8 | 21.3 | 17.7 |

The total capital and tier 1 capital ratios are calculated in accordance with the Capital Requirements Directive. Risk-weighted assets calculated under the Basel I rules amounted to DKK 1,375,749 million at 30 June 2013 (31 December 2012: DKK 1,411,357 million). The solvency need under the transitional rules was DKK 88,048 million, equal to 6.4% of risk-weighted assets under the Basel I rules (31 December 2012: DKK 90,327 million).

Risk Management 2012 provides more details about the Group's solvency need. Risk Management 2012 is not covered by the statutory audit.

Cash flow statement – Danske Bank Group

| [DKK millions] | First half 2013 | First half 2012 | Full year 2012 |
|---|--------------------|--------------------|-------------------|
| Cash flow from operations | | | |
| Profit before tax | 4,893 | 4,075 | 8,539 |
| Tax paid | -1,240 | -1,298 | -1,908 |
| Adjustment for non-cash operating items | 1,575 | 7,038 | 15,013 |
| Changes in operating capital | -63,137 | -21,522 | 61,002 |
| Total | -57,909 | -11,707 | 82,646 |
| Cash flow from investing activities | | | |
| Acquisition/sale of businesses | 3 | 3 | 276 |
| Acquisition/sale of own shares | -156 | -120 | -220 |
| Acquisition of intangible assets | -121 | -144 | -395 |
| Acquisition/sale of tangible assets | -5 | -116 | -138 |
| Total | -279 | -377 | -477 |
| Cash flow from financing activities | | | |
| Changes in subordinated debt and hybrid capital | -8,063 | -5,008 | 732 |
| Dividends | - | - | - |
| Share capital increase | - | - | 7,115 |
| Change in non-controlling interests | -4 | -62 | -56 |
| Total | -8,067 | -5,070 | 7,791 |
| Cash and cash equivalents at 1 January | 296,257 | 206,297 | 206,297 |
| Change in cash and cash equivalents | -66,255 | -17,154 | 89,960 |
| Cash and cash equivalents, end of period | 230,002 | 189,143 | 296,257 |

Notes – Danske Bank Group

Note

1 Significant accounting policies and estimates

1. General

Danske Bank's interim report for the first half of 2013 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of listed financial institutions.

Danske Bank has made changes to the recognition of actuarial gains and losses on defined benefit pension plans. In the financial highlights and segment reporting, changes have been made to the definition of business units, the allocation of a calculated share of shareholders' equity to each business unit, and the internal funds transfer pricing model.

Danske Bank has adopted IFRS 13, Fair Value Measurement. The standard introduces a new definition of fair value and provides guidance on how to measure fair value along with disclosure requirements for fair value. IFRS 13 applies when another standard requires fair value to be used or disclosed. Adoption did not result in any significant effect on Danske Bank's financial results.

With the exception of these changes, Danske Bank has not changed its significant accounting policies from those followed in Annual Report 2012, which provides a full description of the significant accounting policies.

2. Changes to accounting policies

Changes to defined benefit pension plans

Danske Bank has adopted the amended IAS 19, Employee Benefits, from 1 January 2013. Comparative figures for 2012 have been restated.

The standard eliminates the option of deferring the recognition of actuarial gains and losses on defined benefit pension plans, known as the "corridor method". The present value of pension obligations and the fair value of pension plan assets must be recognised in the balance sheet instead.

The new requirements have increased shareholders' equity at 1 January 2012 by DKK 333 million (the amount previously deferred under the corridor method net of tax). The end-2012 effect is an increase of net pension obligations of DKK 232 million, a reduction of deferred tax of DKK 2 million and a reduction of shareholders' equity of DKK 230 million. The net profit for 2012 has been reduced by DKK 24 million because of lower interest on pension assets, which has been offset partly by reduced pension costs (after tax). Actuarial losses of DKK 539 million after tax have been recognised in Other comprehensive income for 2012.

The effect on earnings per share is insignificant, and the Statement of capital is not affected as it was already prepared without the use of the corridor method.

Changes to financial highlights and segment reporting

As part of the new strategy, New Standards, in June 2012 Danske Bank reorganised its business unit structure, switching from operations based on geography to operations based on customer segments. Focus is on three new business units: Personal Banking, Business Banking and Corporates & Institutions. In addition, the non-core activities were transferred to a separate business unit. The non-core activities consist of Irish property exposure and securitisation transactions (conduits), which are not considered part of Danske Bank's core business. The income statement effect, total assets and total liabilities of non-core activities are presented as separate line items. The reorganisation is reflected in the financial reporting effective from 1 January 2013.

At the same time, Danske Bank made changes to the allocation of capital to each business unit and to its internal funds transfer pricing model. Core tier 1 capital was previously allocated on the basis of each unit's share of Group risk-weighted assets calculated prior to transition to the Capital Requirements Directive (CRD).

Total equity is now allocated to the business units assuming that goodwill is financed by equity. Core tier 1 capital is allocated on the basis of the CRD, however, capital for credit risk is allocated on the basis of the internal economic capital framework. The capital allocation model and the internal funds transfer pricing model were updated to better reflect the risks associated with the individual business units.

Finally, effective from 1 January 2013, operational leasing, excluding property leasing, is presented on a net basis under Other income to better reflect the development in the cost basis.

The changes have affected financial highlights and business segment reporting, whereas the income statement, balance sheet, shareholders' equity, earnings per share and statement of capital remain unaffected. The effect on the financial highlights for 2012 is presented in the table below. Comparative figures for 2012 have been restated. Changes have been made to the highlights for 2012 presented in note 44 to Annual Report 2012.

Notes – Danske Bank Group

| Note | (DKK millions) | | | | | | | |
|---------------|---------------------------------------|------------------------------|----------|-------------|---------------|------------|--------------------|---------------|
| 1 (cont'd) | INCOME STATEMENT | | Change | | | | Adjusted | |
| | Highlights 2012 | Funds transfer pricing | Non-core | Leasing | Pension | Other | Highlights 2012 | |
| | Net interest income | 24,788 | -1,489 | -305 | - | -49 | -167 | 22,778 |
| | Net fee income | 8,782 | - | -26 | - | - | 110 | 8,866 |
| | Net trading income | 8,901 | 1,581 | 8 | - | - | 72 | 10,562 |
| | Other income | 2,951 | - | - | -1,666 | - | - | 1,285 |
| | Net income from insurance business | 2,263 | -92 | - | - | - | - | 2,171 |
| | Total income | 47,685 | - | -323 | -1,666 | -49 | 15 | 45,662 |
| | Expenses | 26,588 | - | -275 | -1,666 | -20 | 15 | 24,642 |
| | Profit before loan impairment charges | 21,097 | - | -48 | - | -29 | - | 21,020 |
| | Loan impairment charges | 12,529 | - | -4,849 | - | - | - | 7,680 |
| | Profit before tax, core | 8,568 | - | 4,801 | - | -29 | - | 13,340 |
| | Profit before tax, Non-core | - | - | -4,801 | - | - | - | -4,801 |
| | Profit before tax | 8,568 | - | - | - | -29 | - | 8,539 |
| | Tax | 3,819 | - | - | - | -5 | - | 3,814 |
| | Net profit for the year | 4,749 | - | - | - | -24 | - | 4,725 |

3. Significant accounting estimates

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the consolidated financial statements. The estimates and assumptions that are deemed critical to the consolidated financial statements are

- the fair value measurement of financial instruments
- the measurement of loans and advances
- the measurement of goodwill
- the measurement of liabilities under insurance contracts and the net obligation for defined benefit pension plans
- the recognition of deferred tax

The estimates and assumptions are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values.

Fair value measurement of financial instruments

Significant estimates are not used for measuring the fair value of financial instruments where the value is based on prices quoted in an active market or on generally accepted models employing observable market data.

Measurements of financial instruments that are only to a limited extent based on observable market data, such as the measurement of unlisted shares and certain bonds for which there is no active market, are subject to estimates. The estimated fair value of illiquid bonds significantly depends on the credit spread estimate. If the credit spread widens 50bp at 30 June 2013, the fair value of the bonds will decrease DKK 13 million (2012: DKK 14 million).

For derivatives where the value is not based on prices quoted in an active market, Danske Bank makes fair value adjust-

ments at portfolio level to cover model risk and bid-offer spreads. At 30 June 2013, fair value adjustments amounted to DKK 0.2 billion (31 December 2012: DKK 0.3 billion).

The section Determination of fair value in note 45 and note 42 of Annual Report 2012 provide more details.

Measurement of loans and advances

Danske Bank makes impairment charges to account for any impairment of loans and advances that occurs after initial recognition. Impairment charges consist of individual and collective charges and rely on a number of estimates, including identification of loans or portfolios of loans with objective evidence of impairment, expected future cash flows and the value of collateral. Danske Bank determines the need for impairment charges on the basis of the customer's expected ability to repay debt. This ability depends on a number of factors, including the customer's earnings capacity and trends in general economic growth and unemployment. Expectations of deteriorating repayment ability reduce credit quality and lead to downgrading of the customer.

If all customers were downgraded one rating category, collective impairment charges would increase by about DKK 4.4 billion (2012: DKK 5.5 billion). The losses incurred under non-performing loan agreements depend, among other factors, on the value of collateral received. If the value of collateral decreased 10%, individual impairment charges would increase by about DKK 2.8 billion (2012: DKK 3.0 billion). The notes on risk management provide more details on impairment charges for loans and advances. At 30 June 2013, loans and advances accounted for about 57% of total assets (31 December 2012: 54%).

Notes – Danske Bank Group

Note

1 **Measurement of goodwill**
(cont'd) Goodwill on acquisition is tested for impairment once a year or more frequently if indications of impairment exist. Impairment testing requires management to estimate future cash flows from acquired units. A number of factors affect the value of such cash flows, including discount rates, changes in the real economy, customer behaviour and competition. Note 22 of Annual Report 2012 provides more information about impairment tests and sensitivity to changes in impairment test assumptions. At 30 June 2013, goodwill amounted to DKK 18.4 billion (31 December 2012: DKK 18.5 billion).

Measurement of liabilities under insurance contracts

Calculations of liabilities under insurance contracts are based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates. Assumptions are based on data from Danske Bank's own portfolio of insurance contracts. The liabilities also depend on the discount yield curve, which is fixed on the basis of a zero-coupon yield curve estimated on the basis of euro swap market rates to which are added the yield spread between Danish and German government bonds and a mortgage yield curve spread. The yield spread is calculated as a 12-month moving average. The risk management notes of Annual Report 2012 contain a sensitivity analysis.

Measurement of the net obligation for defined benefit pension plans

The calculation of the net obligation is based on computations made by external actuaries. These computations rely on assumptions about a number of variables, including discount and mortality rates and salary increases. The measurement of the net obligation for defined benefit pension plans is particularly sensitive to changes in the discount rate. The discount rate is determined by reference to yields on high-quality corporate bonds with terms matching the terms of the pension obligations. If the discount rate is lowered one percentage point, the net obligation will increase by DKK 2.9 billion.

Recognition of deferred tax

Recognition of deferred tax requires management to assess the probability and amount of future profit. Deferred tax assets arising from unused tax losses are recognised to the extent that such losses can be offset against tax on future profit. At 30 June 2013, deferred tax assets from recognised tax loss carry-forwards stood at DKK 1.1 billion (31 December 2012: DKK 1.1 billion). The tax base of unrecognised tax loss carry-forwards, relating primarily to the banking operations in Ireland, amounted to DKK 3.1 billion (31 December 2012: DKK 2.9 billion). The full deferred tax liability arising from international joint taxation was recognised and amounted to DKK 5.5 billion at 30 June 2013 (31 December 2012: DKK 5.0 billion)

Annual Report 2012 and Risk Management 2012 provide a detailed description of the significant risks and the external factors that may affect Danske Bank. Risk Management 2012 is not covered by the statutory audit.

Notes – Danske Bank Group

Note (DKK millions)

2 Business segments first half 2013

| | Personal Banking | Business Banking | C&I | Danske Capital | Danica Pension | Other Activities | Non- core | Elimina- tions | Total | Reclassi- fication | Highlights |
|---|---------------------|---------------------|------------------|-------------------|-------------------|---------------------|---------------|-------------------|------------------|-----------------------|------------------|
| Net interest income | 5,565 | 4,397 | 1,061 | -17 | 2,752 | 2,801 | 77 | 76 | 16,712 | -5,756 | 10,956 |
| Net fee income | 2,041 | 961 | 564 | 941 | -445 | 38 | 6 | - | 4,106 | 364 | 4,470 |
| Net trading income | 297 | 360 | 2,881 | 5 | 2,479 | -2,845 | 3 | -87 | 3,093 | 836 | 3,929 |
| Other income | 330 | 265 | 7 | - | 468 | 753 | - | -67 | 1,756 | -1,103 | 653 |
| Net premiums | - | - | - | - | 10,279 | - | - | - | 10,279 | -10,279 | - |
| Net insurance benefits | - | - | - | - | 15,134 | - | - | - | 15,134 | -15,134 | - |
| Income from equity investments | - | - | - | - | 17 | 319 | - | 5 | 341 | -341 | - |
| Net income from insurance business | - | - | - | - | - | - | - | - | - | -5 | -5 |
| Total income | 8,233 | 5,983 | 4,513 | 929 | 416 | 1,066 | 86 | -73 | 21,153 | -1,150 | 20,003 |
| Expenses | 6,035 | 2,732 | 2,240 | 491 | 421 | 1,125 | 129 | -62 | 13,111 | -1,193 | 11,918 |
| Profit before loan impairment charges | 2,198 | 3,251 | 2,273 | 438 | -5 | -59 | -43 | -11 | 8,042 | 43 | 8,085 |
| Loan impairment charges | 1,098 | 974 | 311 | - | - | - | 766 | - | 3,149 | -766 | 2,383 |
| Profit before tax, core | 1,100 | 2,277 | 1,962 | 438 | -5 | -59 | -809 | -11 | 4,893 | 809 | 5,702 |
| Profit before tax, Non-core | - | - | - | - | - | - | - | - | - | -809 | -809 |
| Profit before tax | 1,100 | 2,277 | 1,962 | 438 | -5 | -59 | -809 | -11 | 4,893 | - | 4,893 |
| Loans and advances, excluding reverse transactions | 834,129 | 606,926 | 152,380 | 237 | - | 24,369 | 30,341 | -28,273 | 1,620,109 | -30,341 | 1,589,768 |
| Other assets | 251,518 | 217,218 | 3,836,276 | 22,187 | 322,490 | 1,671,603 | 6,835 | -4,631,132 | 1,696,995 | -20 | 1,696,975 |
| Assets in Non-core | - | - | - | - | - | - | - | - | - | 30,361 | 30,361 |
| Total assets | 1,085,647 | 824,144 | 3,988,656 | 22,424 | 322,490 | 1,695,972 | 37,176 | -4,659,405 | 3,317,104 | - | 3,317,104 |
| Deposits, excluding repo deposits | 364,886 | 269,343 | 162,694 | 200 | - | 10,961 | 5,134 | -11,299 | 801,919 | -5,134 | 796,785 |
| Other liabilities | 692,148 | 506,612 | 3,795,618 | 19,672 | 311,442 | 1,672,785 | 23,390 | -4,648,106 | 2,373,561 | -98 | 2,373,463 |
| Allocated capital | 28,613 | 48,189 | 30,344 | 2,552 | 11,048 | 12,226 | 8,652 | - | 141,624 | - | 141,624 |
| Liabilities in Non-core | - | - | - | - | - | - | - | - | - | 5,232 | 5,232 |
| Total liabilities and equity | 1,085,647 | 824,144 | 3,988,656 | 22,424 | 322,490 | 1,695,972 | 37,176 | -4,659,405 | 3,317,104 | - | 3,317,104 |
| Internal income | -1,215 | -485 | -800 | 229 | 257 | 2,145 | -131 | - | - | - | - |
| Amortisation and depreciation charges | 111 | 119 | 17 | - | - | 312 | - | - | 559 | - | - |
| Impairment charges for intangible and tangible assets | - | - | - | - | - | 15 | - | - | 15 | - | - |
| Reversals of impairment charges | - | - | - | - | - | 16 | - | - | 16 | - | - |
| Profit before tax as % of allocated capital (avg.) | 7.6 | 10.0 | 12.2 | 34.9 | -0.1 | -1 | -20.2 | - | 6.9 | - | - |
| Cost/income ratio (%) | 73.3 | 45.7 | 49.6 | 52.9 | 101.2 | 105.5 | 150.0 | - | 62.0 | - | - |
| Full-time-equivalent staff (end of period) | 7,575 | 3,761 | 1,554 | 492 | 789 | 5,719 | 91 | - | 19,981 | - | - |

In its business segments, Danske Bank presents operational leasing, excluding property leasing, on a net basis under Other income.

In its financial highlights, Danske Bank recognises earnings contributed by Danske Bank Markets (part of C&I) as net trading income, earnings contributed by Danica Pension as net income from insurance business and earnings from Non-core activities as profit before tax, Non-core. The Reclassification column shows the adjustments made to the detailed figures in the calculation of the highlights.

Internal income and expenses are allocated to the individual segments on an arm's-length basis. Funding costs for lending and deposit activities are allocated on the basis of a maturity analysis of loans and deposits, interbank rates and funding spreads, and depend on financial market trends.

Notes – Danske Bank Group

| Note | (DKK millions) | | | | | | | | | | |
|---|------------------|------------------|------------------|----------------|----------------|------------------|---------------|-------------------|------------------|------------------|------------------|
| 2 Business segments first half 2012 | | | | | | | | | | | |
| (cont'd) | Personal Banking | Business Banking | C&I | Danske Capital | Danica Pension | Other Activities | Non-core | Eliminations | Total | Reclassification | Highlights |
| Net interest income | 5,844 | 4,554 | 992 | -11 | 3,150 | 2,969 | 168 | 123 | 17,789 | -6,422 | 11,367 |
| Net fee income | 1,790 | 899 | 542 | 724 | -453 | 308 | 14 | - | 3,824 | 237 | 4,061 |
| Net trading income | 359 | 303 | 5,084 | -4 | 3,435 | -2,851 | -33 | -155 | 6,138 | 395 | 6,533 |
| Other income | 324 | 248 | 6 | - | 147 | 1,921 | - | -65 | 2,581 | -1,935 | 646 |
| Net premiums | - | - | - | - | 10,000 | - | - | - | 10,000 | -10,000 | - |
| Net insurance benefits | - | - | - | - | 14,986 | - | - | - | 14,986 | -14,986 | - |
| Income from equity investments | - | - | - | - | -13 | 94 | - | - | 81 | -81 | - |
| Net income from insurance business | - | - | - | - | - | - | - | - | - | 843 | 843 |
| Total income | 8,317 | 6,004 | 6,624 | 709 | 1,280 | 2,441 | 149 | -97 | 25,427 | -1,977 | 23,450 |
| Expenses | 6,341 | 2,690 | 2,181 | 456 | 437 | 2,159 | 122 | -65 | 14,321 | -1,950 | 12,371 |
| Profit before loan impairment charges | 1,976 | 3,314 | 4,443 | 253 | 843 | 282 | 27 | -32 | 11,106 | -27 | 11,079 |
| Loan impairment charges | 1,638 | 2,449 | 536 | - | - | -25 | 2,433 | - | 7,031 | -2,433 | 4,598 |
| Profit before tax, core | 338 | 865 | 3,907 | 253 | 843 | 307 | -2,406 | -32 | 4,075 | 2,406 | 6,481 |
| Profit before tax, Non-core | - | - | - | - | - | - | - | - | - | -2,406 | -2,406 |
| Profit before tax | 338 | 865 | 3,907 | 253 | 843 | 307 | -2,406 | -32 | 4,075 | - | 4,075 |
| Loans and advances, excluding reverse transactions | 874,506 | 623,936 | 166,953 | 210 | - | 15,003 | 41,578 | -18,167 | 1,704,019 | -41,578 | 1,662,441 |
| Other assets | 150,869 | 220,583 | 4,844,214 | 16,151 | 318,359 | 1,688,697 | 9,738 | -5,472,282 | 1,776,329 | -118 | 1,776,211 |
| Assets in Non-core | - | - | - | - | - | - | - | - | - | 41,696 | 41,696 |
| Total assets | 1,025,375 | 844,519 | 5,011,167 | 16,361 | 318,359 | 1,703,700 | 51,316 | -5,490,449 | 3,480,348 | - | 3,480,348 |
| Deposits, excluding repo deposits | 365,843 | 244,804 | 124,957 | 219 | - | 6,774 | 5,328 | -12,007 | 735,918 | -5,328 | 730,590 |
| Other liabilities | 632,258 | 558,442 | 4,858,223 | 13,858 | 307,832 | 1,689,625 | 34,807 | -5,478,442 | 2,616,603 | -126 | 2,616,477 |
| Allocated capital | 27,274 | 41,273 | 27,987 | 2,284 | 10,527 | 7,301 | 11,181 | - | 127,827 | - | 127,827 |
| Liabilities in Non-core | - | - | - | - | - | - | - | - | - | 5,454 | 5,454 |
| Total liabilities and equity | 1,025,375 | 844,519 | 5,011,167 | 16,361 | 318,359 | 1,703,700 | 51,316 | -5,490,449 | 3,480,348 | - | 3,480,348 |
| Internal income | -1,139 | -4,636 | 4,649 | 202 | 418 | -173 | 679 | - | - | - | - |
| Amortisation and depreciation charges | 114 | 136 | 17 | 5 | - | 314 | - | - | 586 | - | - |
| Impairment charges for intangible and tangible assets | - | - | - | - | - | 515 | - | - | 515 | - | - |
| Reversals of impairment charges | - | - | - | - | - | - | - | - | - | - | - |
| Profit before tax as % of allocated capital (avg.) | 2.5 | 4.2 | 27.9 | 22.2 | 16.0 | 8 | -43.0 | - | 6.4 | - | - |
| Cost/income ratio (%) | 76.2 | 44.8 | 32.9 | 64.3 | 34.1 | 88.4 | 81.9 | - | 56.3 | - | - |
| Full-time-equivalent staff (end of period) | 8,547 | 3,844 | 1,460 | 487 | 813 | 5,756 | 90 | - | 20,997 | - | - |

Notes – Danske Bank Group

| Note | (DKK millions) | | | |
|------|--|-----------------|---------------------|-----------------|
| 3 | Amortisation, depreciation and impairment charges | | | |
| | Expenses for the first half of 2012 included a write-down of DKK 0.5 billion related to the Sampo Bank brand name. | | | |
| 4 | Contingent liabilities | | | |
| | Danske Bank uses a variety of loan-related financial instruments to meet customers' financial requirements. Instruments include loan offers and other credit facilities, guarantees and instruments not recognised in the balance sheet. | | | |
| | | 30 June 2013 | 31 December 2012 | 30 June 2012 |
| | Guarantees | | | |
| | Financial guarantees | 12,096 | 14,274 | 12,754 |
| | Mortgage finance guarantees | 1,013 | 1,350 | 725 |
| | Other guarantees | 61,308 | 64,491 | 69,131 |
| | Total | 74,417 | 80,115 | 82,610 |
| | Other contingent liabilities | | | |
| | Irrevocable loan commitments shorter than 1 year | 46,356 | 53,056 | 55,145 |
| | Irrevocable loan commitments longer than 1 year | 105,789 | 108,614 | 98,816 |
| | Other unutilised loan commitments | 527 | 550 | 586 |
| | Total | 152,672 | 162,220 | 154,547 |

In addition to credit exposure from lending activities, loan offers made and revocable credit facilities granted by Danske Bank amounted to DKK 323 billion (31 December 2012: DKK 323 billion). These items are included in the calculation of risk-weighted assets in accordance with the Capital Requirements Directive.

Owing to its business volume, Danske Bank is continually a party to various lawsuits and disputes. In view of its size, Danske Bank does not expect the outcomes of pending lawsuits and disputes to have any material effect on its financial position.

A limited number of employees are employed under terms which grant them, if they are dismissed before reaching their normal retirement age, an extraordinary severance and/or pension payment in excess of their entitlement under ordinary terms of employment. As the sponsoring employer, Danske Bank is also liable for the pension obligations of a number of company pension funds.

Through participation in the Danish Guarantee Fund for Depositors and Investors, Danish banks undertake to cover the losses incurred by the Fund from the resolution of distressed banks. Danske Bank's share is just over one third of any loss incurred by the Fund. The intention is that losses should be covered by the participating banks' annual contributions.

Danske Bank is the lessee in a number of non-cancellable operating leases, involving mainly leasing of real property, equipment, furniture and fixtures. Danske Bank recognises lease payments as an expense over the lease term but does not recognise the operating lease assets in its balance sheet. Such assets are recognised by lessors.

Danske Bank is registered jointly with all Danish companies in the Group for corporation tax, withholding tax etc., for which it is jointly and severally liable.

Notes – Danske Bank Group

Note (DKK millions)

5 Transferred financial assets that are not derecognised

Danske Bank enters into transactions that transfer ownership of financial assets, such as bonds and shares, to a counterparty while retaining the risks associated with the assets. If Danske Bank retains all significant risks, the securities remain in the balance sheet, and the transactions are accounted for as loans received against collateral. Such transactions are repo transactions and securities lending. Repo transactions involve selling securities to be repurchased at a fixed price at a later date. Securities lending is similar to repo transactions, but instead of cash payments, they involve payment in other securities and exchange of the securities at the expiry of the transaction.

| | Trading portfolio | |
|---|-------------------|--------|
| | Bonds | Shares |
| Carrying amount of transferred assets | | |
| Repo transactions | 313,212 | - |
| Securities lending | - | - |
| Total transferred assets | 313,212 | - |
| Repo transactions, own issued bonds | 26,839 | - |
| Carrying amount of associated liabilities | 346,677 | - |
| Net positions | -6,626 | - |

Counterparties are entitled to sell the securities or deposit them as collateral for loans.

Danske Bank has not entered into any agreements on the sale of assets that entail Danske Bank's continuing involvement in derecognised financial assets.

6 Assets provided or received as collateral

At 30 June 2013, Danske Bank had deposited securities worth DKK 0.4 billion as collateral with Danish and international clearing centres and other institutions (31 December 2012: DKK 33.0 billion).

At 30 June 2013, Danske Bank had provided cash and securities worth DKK 51.4 billion as collateral for derivatives transactions (31 December 2012: DKK 75.8 billion).

Danske Bank had registered assets under insurance contracts worth DKK 263.6 billion (31 December 2012: DKK 262.3 billion) at 30 June 2013 as collateral for policyholders' savings of DKK 257.4 billion (31 December 2012: DKK 259.7 billion).

At 30 June 2013, Danske Bank had registered loans at fair value and securities worth DKK 726.4 billion and DKK 1.7 billion, respectively (31 December 2012: DKK billion 732.8 and DKK 1.7 billion) as collateral for bonds issued by Realkredit Danmark, including mortgage-covered bonds, worth a total of DKK 616.5 billion (31 December 2012: DKK 614.3 billion).

Similarly, Danske Bank had registered loans and other assets worth DKK 252.8 billion and DKK 8.0 billion, respectively (31 December 2012: DKK 269.9 billion and DKK 6.5, respectively) as collateral for covered bonds issued under Danish and Finnish law.

The table below shows assets provided as collateral for obligations, including obligations under repo transactions and securities lending:

| | 30 June 2013 | | | 31 December 2012 | | |
|--------------------------------------|--------------|-----------|-----------|------------------|-----------|-----------|
| | Repo | Other | Total | Repo | Other | Total |
| Due from credit institutions | - | 15,108 | 15,108 | - | 24,251 | 24,251 |
| Trading portfolio securities | 313,212 | 44,273 | 357,485 | 300,383 | 85,262 | 385,645 |
| Loans at fair value | - | 726,433 | 726,433 | - | 732,762 | 732,762 |
| Loans and advances at amortised cost | - | 271,082 | 271,082 | - | 291,241 | 291,241 |
| Assets under insurance contracts | - | 247,339 | 247,339 | - | 248,294 | 248,294 |
| Other assets | - | 130 | 130 | - | 187 | 187 |
| Total | 313,212 | 1,304,365 | 1,617,577 | 300,383 | 1,381,997 | 1,682,380 |
| Own issued bonds | 26,839 | 91,730 | 118,569 | 55,093 | 110,397 | 165,490 |
| Total including own issued bonds | 340,051 | 1,396,095 | 1,736,146 | 355,476 | 1,492,394 | 1,847,870 |

Notes – Danske Bank Group

Note

6 Securities provided as collateral under agreements that entitle the counterparty to sell the securities or provide them as collateral for other loans amounted to DKK 313.2 billion (31 December 2012: DKK 300.4 billion).
(cont'd)

At 30 June 2013, Danske Bank had received securities worth DKK 330.1 billion (31 December 2012: DKK 304.3 billion) as collateral for reverse repo transactions, securities lending, derivatives transactions and other transactions entered into on the standard terms for such transactions. As the party receiving the collateral, Danske Bank is entitled in some cases to sell the securities or provide the securities as collateral for other loans in exchange for returning similar securities to the counterparty at the expiry of the transactions. At 30 June 2013, Danske Bank had sold securities or provided securities as collateral worth DKK 178.1 billion (31 December 2012: DKK 143.2 billion).

Danske Bank also receives many other types of assets as collateral in connection with its ordinary lending activities. Danske Bank has not transferred the ownership of these assets. The notes on risk management in Annual Report 2012 provide more details on assets received as collateral.

Notes – Danske Bank Group

Note (DKK millions)

7 Fair value information for financial instruments

Financial instruments are carried in the balance sheet at fair value or amortised cost.

| | 30 June 2013 | | 31 December 2012 | |
|--|------------------|------------------|------------------|------------------|
| | Fair value | Amortised cost | Fair value | Amortised cost |
| Financial assets | | | | |
| Cash in hand and demand deposits with central banks | - | 66,277 | - | 97,267 |
| Due from credit institutions and central banks | - | 165,435 | - | 200,646 |
| Trading portfolio assets | 721,432 | - | 812,927 | - |
| Investment securities | 113,872 | 7,654 | 99,414 | 8,310 |
| Loans and advances at amortised cost | - | 1,152,056 | - | 1,161,816 |
| Loans at fair value | 726,433 | - | 732,762 | - |
| Assets under pooled schemes and unit-linked investment contracts | 69,687 | - | 70,625 | - |
| Assets under insurance contracts | 210,286 | - | 214,056 | - |
| Total | 1,841,710 | 1,391,422 | 1,929,784 | 1,468,039 |
| Financial liabilities | | | | |
| Due to credit institutions and central banks | - | 415,999 | - | 459,932 |
| Trading portfolio liabilities | 455,351 | - | 531,860 | - |
| Deposits | - | 900,358 | - | 929,092 |
| Bonds issued by Realkredit Danmark | 616,457 | - | 614,325 | - |
| Deposits under pooled schemes and unit-linked investment contracts | 79,128 | - | 78,741 | - |
| Other issued bonds | - | 342,280 | - | 340,005 |
| Subordinated debt | - | 58,905 | - | 67,785 |
| Other liabilities (irrevocable loan commitments and guarantees) | - | 507 | - | 1,253 |
| Total | 1,150,936 | 1,718,049 | 1,224,926 | 1,798,067 |

The global debt crisis continued to have a significant impact on the bond markets, and volatility remained high. Sentiment gradually shifted towards a more benign environment for the riskier bond segments. Volatility persisted but the bond markets were generally well-functioning.

Financial instruments at amortised cost

Fair value calculations for financial instruments recognised at amortised cost are significantly affected by estimates as almost all calculations are made on the basis of non-observable input. Danske Bank uses fair value hedge accounting for most of its interest rate risk. Fair value adjustments to the credit risk on loans and advances measured at amortised cost are recognised under loan impairment charges.

General trends in the financial markets have caused bond credit spreads to narrow. The fair value of bonds issued by the Group and measured at amortised cost equalled the amortised cost at both 30 June 2013 and 31 December 2012.

Financial instruments at fair value

Note 42 of Annual Report 2012 provides more information about fair value calculation methods for financial instruments.

Financial instruments valued on the basis of quoted prices in an active market are recognised in the Quoted prices category. Financial instruments valued substantially on the basis of other observable input are recognised in the Observable input category. This category covers instruments such as derivatives valued on the basis of observable yield curves and exchange rates and illiquid mortgage bonds valued by reference to the value of similar, liquid bonds. Other financial instruments are recognised in the Non-observable input category. This category covers instruments such as unlisted shares and derivatives, where valuation relies on extrapolation of yield curves, correlations or other model input of material importance to valuation.

Developments in the financial markets did not result in any significant reclassification of bonds between the Quoted prices and Observable input categories in the first half of 2013.

Danske Bank has not reclassified bonds to available-for-sale financial assets since 2008.

Notes – Danske Bank Group

| Note | (DKK millions) | | | | |
|----------|--|----------------|------------------|----------------------|------------------|
| 7 | 30 June 2013 | Quoted prices | Observable input | Non-observable input | Total |
| (cont'd) | | | | | |
| | Financial assets | | | | |
| | Derivatives | 5,480 | 280,243 | 11,790 | 297,513 |
| | Trading portfolio bonds | 403,025 | 17,098 | - | 420,123 |
| | Trading portfolio shares | 3,208 | - | 588 | 3,796 |
| | Investment securities, bonds | 97,845 | 12,819 | - | 110,664 |
| | Investment securities, shares | 50 | - | 3,158 | 3,208 |
| | Loans at fair value | - | 726,433 | - | 726,433 |
| | Assets under pooled schemes and unit-linked investment contracts | 69,687 | - | - | 69,687 |
| | Assets under insurance contracts, bonds | 138,883 | 3,178 | 452 | 142,513 |
| | Assets under insurance contracts, shares | 56,630 | 581 | 7,700 | 64,911 |
| | Assets under insurance contracts, derivatives | 1,152 | 1,710 | - | 2,862 |
| | Total | 775,960 | 1,042,062 | 23,688 | 1,841,710 |
| | Financial liabilities | | | | |
| | Derivatives | 5,092 | 261,939 | 10,256 | 277,287 |
| | Obligations to repurchase securities | 177,819 | 234 | 11 | 178,064 |
| | Bonds issued by Realkredit Danmark | 616,457 | - | - | 616,457 |
| | Deposits under pooled schemes and unit-linked investment contracts | - | 79,128 | - | 79,128 |
| | Total | 799,368 | 341,301 | 10,267 | 1,150,936 |
| | 31 December 2012 | | | | |
| | Financial assets | | | | |
| | Derivatives | 2,843 | 390,406 | 15,741 | 408,990 |
| | Trading portfolio bonds | 384,075 | 16,666 | - | 400,741 |
| | Trading portfolio shares | 2,675 | - | 521 | 3,196 |
| | Investment securities, bonds | 85,317 | 11,013 | - | 96,330 |
| | Investment securities, shares | 52 | - | 3,032 | 3,084 |
| | Loans at fair value | - | 732,762 | - | 732,762 |
| | Assets under pooled schemes and unit-linked investment contracts | 70,625 | - | - | 70,625 |
| | Assets under insurance contracts, bonds | 149,514 | 2,133 | 586 | 152,233 |
| | Assets under insurance contracts, shares | 48,442 | 647 | 6,641 | 55,730 |
| | Assets under insurance contracts, derivatives | 2,397 | 3,696 | - | 6,093 |
| | Total | 745,940 | 1,157,323 | 26,521 | 1,929,784 |
| | Financial liabilities | | | | |
| | Derivatives | 3,313 | 369,475 | 15,908 | 388,696 |
| | Obligations to repurchase securities | 142,965 | 189 | 10 | 143,164 |
| | Bonds issued by Realkredit Danmark | 614,325 | - | - | 614,325 |
| | Deposits under pooled schemes and unit-linked investment contracts | - | 78,741 | - | 78,741 |
| | Total | 760,603 | 448,405 | 15,918 | 1,224,926 |

Notes – Danske Bank Group

Note (DKK millions)

7 At 30 June 2013, financial instruments valued on the basis of non-observable input comprised unlisted shares of DKK 11,435 million (cont'd) (31 December 2012: DKK 10,184 million), illiquid bonds of DKK 452 million (31 December 2012: DKK 586 million) and derivatives with a net market value of DKK 1,534 million (31 December 2012: DKK -167 million).

A 10% increase or decrease in the fair value of unlisted shares would amount to DKK 1,144 million (31 December 2012: DKK 1,018 million), with DKK 770 million (31 December 2012: DKK 664 million) relating to shares allocated to policyholders, who assume most of the risk on the shares.

The estimated fair value of illiquid bonds depends significantly on the estimated credit spread. If the credit spread widens 50bp, fair value will decrease DKK 13 million (31 December 2012: DKK 14 million). If the credit spread narrows 50bp, fair value will increase DKK 13 million (31 December 2012: DKK 15 million). A substantial number of derivatives valued on the basis of non-observable input are hedged by similar derivatives or are used for hedging the credit risk on bonds also valued on the basis of non-observable input.

In the first half of 2013, Danske Bank recognised unrealised value adjustments of unlisted shares and credit bonds valued on the basis of non-observable input of DKK 324 million (31 December 2012: DKK 707 million).

Shares, bonds and derivatives valued on the basis of non-observable input

| | 30 June 2013 | | | 31 December 2012 | | |
|---|--------------|-------|-------------|------------------|-------|-------------|
| | Shares | Bonds | Derivatives | Shares | Bonds | Derivatives |
| Fair value at 1 January | 10,184 | 586 | -167 | 7,641 | 151 | -1,255 |
| Value adjustment through profit or loss | 299 | -29 | 240 | 707 | -3 | 879 |
| Value adjustment through other comprehensive income | - | - | - | - | - | - |
| Acquisitions | 1,483 | - | 87 | 2,723 | 421 | -809 |
| Sale and redemption | -531 | - | 256 | -887 | - | 1,018 |
| Transferred from quoted prices and observable input | - | - | - | - | 105 | - |
| Transferred to quoted prices and observable input | - | -105 | 1,118 | - | -88 | - |
| Fair value end of period | 11,435 | 452 | 1,534 | 10,184 | 586 | -167 |

| 8 | Other issued bonds | 30 June 2013 | | 31 December 2012 | |
|---|--------------------|--------------|---------|------------------|---------|
| | | | | | |
| | Commercial paper | | 28,898 | | 36,982 |
| | Other | | 313,382 | | 303,023 |
| | Total | | 342,280 | | 340,005 |

Other issued bonds are recognised at amortised cost.

| Nominal value | 1 January 2013 | | Foreign currency translation | 30 June 2013 |
|--------------------|----------------|----------|------------------------------|--------------|
| | Issued | Redeemed | | |
| Commercial paper | 38,662 | 59,118 | -106 | 29,703 |
| Other | 351,433 | 24,629 | -3,199 | 340,839 |
| Other issued bonds | 390,095 | 83,747 | -3,305 | 370,542 |

| Nominal value | 1 January 2012 | | Foreign currency translation | 31 December 2012 |
|--------------------|----------------|----------|------------------------------|------------------|
| | Issued | Redeemed | | |
| Commercial paper | 98,891 | 706,296 | 2,137 | 38,662 |
| Other | 311,769 | 130,857 | 2,061 | 351,433 |
| Other issued bonds | 410,660 | 837,153 | 4,198 | 390,095 |

Notes – Danske Bank Group

(DKK millions)

Risk Management

Annual Report 2012 provides a detailed description of risk management practices. Management's report describes the most recent changes to the risk management practices.

| Breakdown of credit exposure | Total | Credit exposure, lending activities | Counterparty risk (derivatives) | Credit exposure, other trading and investing activities | Insurance risk | Contracts, full risk assumed by customers | Non- core |
|--|------------------|--|---------------------------------------|---|-------------------|---|---------------|
| 30 June 2013 | | | | | | | |
| Balance sheet items | | | | | | | |
| Demand deposits with central banks | 57,231 | 57,231 | - | - | - | - | |
| Due from credit institutions and central banks | 85,354 | 85,166 | - | - | - | - | 188 |
| Repo loans with credit institutions and central banks | 80,081 | 80,081 | - | - | - | - | |
| Trading portfolio assets | 721,432 | - | 297,565 | 423,919 | - | - | -52 |
| Investment securities | 121,526 | - | - | 121,526 | - | - | |
| Loans and advances at amortised cost | 893,676 | 863,335 | - | - | - | - | 30,341 |
| Repo loans | 258,380 | 258,380 | - | - | - | - | |
| Loans at fair value | 726,433 | 726,433 | - | - | - | - | |
| Assets under pooled schemes and unit-linked investment contracts | 69,687 | - | - | - | - | 69,687 | |
| Assets under insurance contracts | 239,839 | - | - | - | 239,839 | - | |
| Off-balance-sheet items | | | | | | | |
| Guarantees | 74,417 | 74,347 | - | - | - | - | 70 |
| Irrevocable loan commitments shorter than 1 year | 46,356 | 45,447 | - | - | - | - | 909 |
| Irrevocable loan commitments longer than 1 year | 105,789 | 105,749 | - | - | - | - | 40 |
| Other unutilised commitments | 527 | - | - | 527 | - | - | |
| Total | 3,480,728 | 2,296,169 | 297,565 | 545,972 | 239,839 | 69,687 | 31,496 |
| 31 December 2012 | | | | | | | |
| Balance sheet items | | | | | | | |
| Demand deposits with central banks | 86,032 | 86,032 | - | - | - | - | |
| Due from credit institutions and central banks | 113,657 | 113,491 | - | - | - | - | 166 |
| Repo loans with credit institutions and central banks | 86,989 | 86,989 | - | - | - | - | |
| Trading portfolio assets | 812,927 | - | 409,029 | 403,937 | - | - | -39 |
| Investment securities | 107,724 | - | - | 107,724 | - | - | |
| Loans and advances at amortised cost | 941,628 | 908,524 | - | - | - | - | 33,104 |
| Repo loans | 220,188 | 220,188 | - | - | - | - | |
| Loans at fair value | 732,762 | 732,762 | - | - | - | - | |
| Assets under pooled schemes and unit-linked investment contracts | 70,625 | - | - | - | - | 70,625 | |
| Assets under insurance contracts | 241,343 | - | - | - | 241,343 | - | |
| Off-balance-sheet items | | | | | | | |
| Guarantees | 80,115 | 80,075 | - | - | - | - | 40 |
| Irrevocable loan commitments shorter than 1 year | 53,056 | 51,915 | - | - | - | - | 1,141 |
| Irrevocable loan commitments longer than 1 year | 108,614 | 108,586 | - | - | - | - | 28 |
| Other unutilised commitments | 550 | - | - | 550 | - | - | |
| Total | 3,656,210 | 2,388,562 | 409,029 | 512,211 | 241,343 | 70,625 | 34,440 |

In addition to credit exposure from lending activities, loan offers made and revocable credit facilities granted by Danske Bank amounted to DKK 323 billion (31 December 2012: DKK 323 billion). These items are included in the calculation of risk-weighted assets in accordance with the Capital Requirements Directive.

Notes – Danske Bank Group

(DKK millions)

Credit exposure from lending activities

The table below shows the credit exposure of Danske Bank's core banking business by industry and customer segment. The breakdown follows the Global Industry Classification Standard (GICS), supplemented by the Personal customers, Non-profit and associations, and Public institutions categories.

Credit exposure broken down by industry (GICS)

| 30 June 2013 | Personal Business | | C&I | Other | Total | Past due but not impaired | Impaired loans* | |
|--|-------------------|----------------|----------------|---------------|------------------|------------------------------|-----------------|----------------|
| | Banking | Banking | | | | | Performing | Non-performing |
| Public institutions | 81 | 23,984 | 118,800 | 13,143 | 156,008 | 1 | 21 | - |
| Banks | 17 | 15,243 | 71,799 | 11,138 | 98,197 | 1 | 4 | 150 |
| Credit institutions | - | 383 | 31,247 | 47 | 31,677 | - | - | - |
| Insurance | 19 | 373 | 45,131 | 24 | 45,547 | - | 15 | 2 |
| Investments funds | 3,027 | 3,622 | 113,052 | 5 | 119,706 | 42 | 136 | 128 |
| Other financials | 210 | 2,050 | 103,515 | 11,362 | 117,137 | 24 | 781 | - |
| Agriculture | 593 | 57,681 | 7,826 | 20 | 66,120 | 427 | 717 | 100 |
| Commercial property | 3,311 | 217,703 | 17,840 | 294 | 239,148 | 837 | 6,689 | 4,316 |
| Construction, engineering and building products | 448 | 19,315 | 14,888 | 322 | 34,973 | 112 | 688 | 529 |
| Consumer discretionary | 1,734 | 50,571 | 24,420 | 271 | 76,996 | 463 | 1,647 | 525 |
| Consumer staples | 271 | 20,792 | 27,384 | 30 | 48,477 | 190 | 226 | 75 |
| Energy and utilities | 22 | 9,854 | 25,995 | 13 | 35,884 | 33 | 32 | 11 |
| Health care | 177 | 7,074 | 19,356 | 64 | 26,671 | 49 | 44 | - |
| Industrial services, supplies and machinery | 725 | 31,531 | 39,603 | 723 | 72,582 | 299 | 783 | 295 |
| IT and telecommunication services | 288 | 5,311 | 14,714 | 370 | 20,683 | 47 | 373 | - |
| Materials | 304 | 14,748 | 24,793 | 216 | 40,061 | 115 | 215 | 102 |
| Non-profit and associations | 329 | 118,193 | 1,203 | 11 | 119,736 | 273 | 1,367 | 1,322 |
| Other commercial | 1,182 | 8,578 | 14,204 | 761 | 24,725 | 19 | - | 22 |
| Shipping | 346 | 1,351 | 38,013 | 1 | 39,711 | 9 | 1,980 | - |
| Transportation | 105 | 13,269 | 5,337 | 44 | 18,755 | 55 | 100 | - |
| Personal customers | 825,952 | 36,932 | 39 | 452 | 863,375 | 5,994 | 4,446 | 3,975 |
| Total | 839,141 | 658,558 | 759,159 | 39,311 | 2,296,169 | 8,990 | 20,264 | 11,552 |
| 31 December 2012 | | | | | | | | |
| Public institutions | 2,085 | 21,915 | 149,797 | 41,803 | 215,600 | - | - | - |
| Banks | 22 | 13,967 | 76,125 | 16,418 | 106,532 | - | 4 | 184 |
| Credit institutions | - | 394 | 43,731 | 2 | 44,127 | - | - | - |
| Insurance | 27 | 451 | 39,714 | 273 | 40,465 | - | - | 2 |
| Investments funds | 3,264 | 4,855 | 86,572 | 4 | 94,695 | 64 | 192 | 214 |
| Other financials | 1,168 | 2,027 | 105,999 | 7,359 | 116,553 | 8 | 1,065 | 4 |
| Agriculture | 5,078 | 54,617 | 7,830 | 2 | 67,527 | 1,920 | 946 | 367 |
| Commercial property | 5,873 | 216,152 | 18,485 | 210 | 240,720 | 1,635 | 6,323 | 6,077 |
| Construction, engineering and building products | 2,040 | 17,773 | 14,592 | 133 | 34,538 | 124 | 567 | 792 |
| Consumer discretionary | 4,461 | 49,175 | 22,441 | 414 | 76,491 | 335 | 1,829 | 912 |
| Consumer staples | 1,573 | 20,143 | 26,596 | 43 | 48,355 | 232 | 242 | 108 |
| Energy and utilities | 675 | 12,667 | 25,401 | 40 | 38,783 | 3,666 | 7 | 46 |
| Health care | 445 | 6,955 | 16,421 | 62 | 23,883 | 26 | 63 | - |
| Industrial services, supplies and machinery | 2,183 | 27,806 | 37,323 | 633 | 67,945 | 358 | 1,696 | 333 |
| IT and telecommunication services | 944 | 5,322 | 14,971 | 465 | 21,702 | 30 | 394 | - |
| Materials | 1,041 | 13,883 | 24,636 | 172 | 39,732 | 617 | 476 | 302 |
| Non-profit and associations | 1,220 | 120,444 | 2,319 | 14 | 123,997 | 454 | 1,320 | 1,649 |
| Other commercial | 2,563 | 12,563 | 20,003 | 3,839 | 38,968 | 74 | - | 80 |
| Shipping | 277 | 1,811 | 41,646 | 1 | 43,735 | 6 | 2,732 | - |
| Transportation | 398 | 12,689 | 5,944 | 43 | 19,074 | 354 | 55 | - |
| Personal customers | 849,126 | 35,652 | 54 | 308 | 885,140 | 7,990 | 4,291 | 5,583 |
| Total | 884,463 | 651,261 | 780,600 | 72,238 | 2,388,562 | 17,893 | 22,202 | 16,653 |

*Impaired loans are individually assessed loans in rating categories 10 and 11 with objective evidence of impairment for which an impairment charge has been made. Performing loans (rating category 10) are loans to customers that are not in default. Non-performing loans (rating category 11) are loans to customers in default.

Notes – Danske Bank Group

[DKK millions]

Credit exposure broken down by geographical area

The table shows the credit exposure of Danske Bank's core banking business by country and customer segment.

| 30 June 2013 | Personal | Business | | | | Past due but | Impaired loans* | |
|---------------------------|----------------|----------------|----------------|---------------|------------------|--------------|-----------------|----------------|
| | Banking | Banking | C&I | Other | Total | not impaired | Performing | Non-performing |
| Denmark | 542,054 | 377,640 | 300,311 | 9,780 | 1,229,785 | 4,213 | 14,124 | 5,188 |
| Finland | 98,839 | 52,500 | 44,951 | 5,988 | 202,278 | 1,837 | 822 | 1,774 |
| Sweden | 77,980 | 117,660 | 78,738 | 1,835 | 276,213 | 377 | 522 | 959 |
| Ireland | 14,999 | 1,501 | 11,841 | 3,278 | 31,619 | 205 | 1,024 | - |
| UK | 18,878 | 25,649 | 85,427 | 4,624 | 134,578 | 369 | 1,000 | 1,629 |
| Germany | 520 | 512 | 41,026 | 1,396 | 43,454 | 20 | 122 | 19 |
| Estonia | 15 | 5,781 | 521 | 10 | 6,327 | 421 | 408 | 269 |
| Latvia | 3 | 2,557 | 76 | 5 | 2,641 | 65 | 71 | 58 |
| Lithuania | 12 | 8,356 | 60 | - | 8,428 | 125 | 567 | 507 |
| Spain | 700 | 23 | 5,424 | 81 | 6,228 | 2 | 12 | 12 |
| France | 621 | 53 | 9,088 | 392 | 10,154 | 7 | - | - |
| Italy | 80 | 37 | 193 | 72 | 382 | - | - | 9 |
| Portugal | 59 | 2 | 14 | 6 | 81 | - | - | - |
| Greece | 40 | 2 | - | - | 42 | - | - | - |
| Belgium | 384 | 9 | 2,801 | 1,194 | 4,388 | 1 | 1 | 9 |
| Cyprus | 24 | 1,320 | 1,918 | - | 3,262 | 1 | 39 | - |
| Netherlands | 156 | 363 | 1,296 | 258 | 2,073 | 2 | 8 | - |
| Luxembourg | 566 | 128 | 67,309 | 203 | 68,206 | 3 | - | 9 |
| Poland | 53 | 61 | 2,362 | 19 | 2,495 | 1 | 1 | 7 |
| Other EU member states | 198 | 59 | 634 | 179 | 1,070 | 2 | 2 | - |
| Norway | 78,103 | 62,063 | 45,137 | 1,044 | 186,347 | 1,298 | 1,467 | 872 |
| Eastern Europe | 103 | 252 | 1,000 | 590 | 1,945 | 1 | 5 | 1 |
| Switzerland | 917 | 175 | 2,539 | 2,192 | 5,823 | 2 | 9 | 23 |
| Turkey | 41 | 6 | 1,701 | 120 | 1,868 | - | - | 1 |
| Other European countries | 405 | 13 | 15 | 370 | 803 | 5 | 1 | 175 |
| North America | 1,175 | 758 | 48,934 | 2,520 | 53,387 | 11 | 52 | 10 |
| Central and South America | 317 | 670 | 526 | 83 | 1,596 | 1 | - | - |
| Africa | 154 | 6 | 1,586 | 280 | 2,026 | 2 | - | 1 |
| Asia | 1,533 | 361 | 3,212 | 2,494 | 7,600 | 18 | 3 | 18 |
| Oceania | 212 | 41 | 519 | 298 | 1,070 | 1 | 4 | 2 |
| Total | 839,141 | 658,558 | 759,159 | 39,311 | 2,296,169 | 8,990 | 20,264 | 11,552 |

*Impaired loans are individually assessed loans in rating categories 10 and 11 with objective evidence of impairment for which an impairment charge has been made. Performing loans (rating category 10) are loans to customers that are not in default. Non-performing loans (rating category 11) are loans to customers in default.

Geographical segmentation is based on the customer's country of residence rather than the location in which the individual transaction is recorded. The table lists the countries to which Danske Bank has a total exposure above DKK 1 billion as well as the following countries: Ireland, Portugal, Italy, Greece and Spain.

Notes – Danske Bank Group

(DKK millions)

| 31 December 2012 | Personal Banking | Business Banking | C&I | Other | Total | Past due but not impaired | Impaired loans* | |
|---------------------------|---------------------|---------------------|----------------|---------------|------------------|------------------------------|-----------------|----------------|
| | | | | | | | Performing | Non-performing |
| Denmark | 567,997 | 360,564 | 316,646 | 24,219 | 1,269,426 | 9,036 | 16,615 | 8,390 |
| Finland | 105,510 | 51,641 | 43,667 | 22,466 | 223,284 | 1,656 | 753 | 2,165 |
| Sweden | 81,058 | 114,972 | 104,411 | 1,642 | 302,083 | 4,789 | 880 | 906 |
| Ireland | 15,408 | 2,668 | 13,655 | 5,106 | 36,837 | 312 | 632 | 764 |
| UK | 20,412 | 27,784 | 82,473 | 5,711 | 136,380 | 147 | 828 | 1,946 |
| Germany | 764 | 217 | 34,959 | 1,306 | 37,246 | 9 | 41 | 41 |
| Estonia | 35 | 9,040 | 490 | 17 | 9,582 | 408 | 197 | 272 |
| Latvia | 6 | 2,287 | 57 | - | 2,350 | 66 | 162 | 75 |
| Lithuania | 14 | 8,194 | 20 | 4 | 8,232 | 1 | 432 | 586 |
| Spain | 847 | 33 | 650 | 288 | 1,818 | 8 | 12 | 18 |
| France | 701 | 61 | 9,535 | 272 | 10,569 | 6 | 2 | 88 |
| Italy | 84 | 84 | 255 | 284 | 707 | 103 | - | 10 |
| Portugal | 61 | 2 | 7 | 8 | 78 | - | 5 | - |
| Greece | 36 | 2 | - | - | 38 | - | 1 | - |
| Belgium | 382 | 10 | 4,304 | 1,313 | 6,009 | 6 | 1 | 8 |
| Cyprus | 36 | 1,090 | 2,128 | 4 | 3,258 | - | 34 | - |
| Netherlands | 170 | 429 | 1,525 | 198 | 2,322 | 4 | 7 | 25 |
| Luxembourg | 535 | 254 | 56,733 | 571 | 58,093 | - | - | 9 |
| Poland | 98 | 18 | 3,266 | 12 | 3,394 | 2 | 1 | 12 |
| Other EU member states | 212 | 58 | 810 | 163 | 1,243 | 1 | - | 3 |
| Norway | 85,102 | 68,570 | 50,582 | 1,065 | 205,319 | 1,313 | 1,325 | 1,124 |
| Eastern Europe | 356 | 989 | 1,486 | 672 | 3,503 | - | - | 1 |
| Switzerland | 869 | 128 | 2,943 | 283 | 4,223 | 4 | - | 26 |
| Turkey | 40 | 15 | 1,194 | 178 | 1,427 | - | - | 1 |
| Other European countries | 438 | 7 | 6 | 388 | 839 | 5 | 4 | 171 |
| North America | 1,039 | 1,655 | 37,845 | 2,719 | 43,258 | 7 | 260 | 7 |
| Central and South America | 326 | - | 3,503 | 26 | 3,855 | 1 | - | 1 |
| Africa | 135 | 11 | 1,945 | 620 | 2,711 | - | - | 1 |
| Asia | 1,613 | 474 | 4,963 | 2,183 | 9,233 | 6 | 10 | 3 |
| Oceania | 179 | 4 | 542 | 520 | 1,245 | 3 | - | - |
| Total | 884,463 | 651,261 | 780,600 | 72,238 | 2,388,562 | 17,893 | 22,202 | 16,653 |

*Impaired loans are individually assessed loans in rating categories 10 and 11 with objective evidence of impairment for which an impairment charge has been made. Performing loans (rating category 10) are loans to customers that are not in default. Non-performing loans (rating category 11) are loans to customers in default.

Notes – Danske Bank Group

(DKK millions)

Credit exposure broken down by rating category

30 June 2013

| Rating category | Upper PD | Lower PD | Personal Banking | Business Banking | C&I | Other | Total |
|---------------------------|----------|----------|------------------|------------------|----------------|---------------|------------------|
| 1 | 0.00 | 0.01 | 2,242 | 2,011 | 112,948 | 6,773 | 123,974 |
| 2 | 0.01 | 0.03 | 72,096 | 23,636 | 63,570 | 14,636 | 173,938 |
| 3 | 0.03 | 0.06 | 141,926 | 75,655 | 168,075 | 5,825 | 391,481 |
| 4 | 0.06 | 0.14 | 205,863 | 81,977 | 130,307 | 1,726 | 419,873 |
| 5 | 0.14 | 0.31 | 174,875 | 140,808 | 159,538 | 622 | 475,843 |
| 6 | 0.31 | 0.63 | 100,193 | 116,057 | 88,075 | 3,868 | 308,193 |
| 7 | 0.63 | 1.90 | 81,805 | 115,777 | 23,004 | 3,362 | 223,948 |
| 8 | 1.90 | 7.98 | 30,601 | 51,472 | 5,515 | 587 | 88,175 |
| 9 | 7.98 | 25.70 | 12,351 | 14,903 | 4,270 | 43 | 31,567 |
| 10 | 25.70 | 99.99 | 8,326 | 25,571 | 3,838 | 660 | 38,395 |
| Impaired portion | 25.70 | 99.99 | 3,791 | 13,386 | 2,427 | 660 | 20,264 |
| 11 (Non-performing loans) | 99.99 | 100 | 8,863 | 10,691 | 19 | 1,209 | 20,782 |
| Impaired portion | 99.99 | 100 | 6,072 | 4,314 | 17 | 1,149 | 11,552 |
| Total | | | 839,141 | 658,558 | 759,159 | 39,311 | 2,296,169 |

31 December 2012

| Rating category | Upper PD | Lower PD | Personal Banking | Business Banking | C&I | Other | Total |
|---------------------------|----------|----------|------------------|------------------|----------------|---------------|------------------|
| 1 | 0.00 | 0.01 | 6,056 | 5,901 | 143,706 | 36,352 | 192,015 |
| 2 | 0.01 | 0.03 | 82,390 | 17,445 | 57,950 | 11,502 | 169,287 |
| 3 | 0.03 | 0.06 | 135,925 | 76,358 | 174,901 | 5,334 | 392,518 |
| 4 | 0.06 | 0.14 | 190,543 | 74,350 | 142,357 | 4,772 | 412,022 |
| 5 | 0.14 | 0.31 | 170,125 | 130,924 | 106,304 | 4,481 | 411,834 |
| 6 | 0.31 | 0.63 | 113,141 | 125,173 | 112,484 | 6,545 | 357,343 |
| 7 | 0.63 | 1.90 | 94,124 | 114,055 | 27,452 | 1,192 | 236,823 |
| 8 | 1.90 | 7.98 | 51,938 | 54,964 | 8,028 | 1,003 | 115,933 |
| 9 | 7.98 | 25.70 | 17,609 | 19,464 | 3,939 | 127 | 41,139 |
| 10 | 25.70 | 99.99 | 10,857 | 21,464 | 3,438 | - | 35,759 |
| Impaired portion | 25.70 | 99.99 | 6,716 | 12,667 | 2,818 | - | 22,201 |
| 11 (Non-performing loans) | 99.99 | 100 | 11,755 | 11,163 | 41 | 930 | 23,889 |
| Impaired portion | 99.99 | 100 | 10,529 | 5,191 | 32 | 902 | 16,654 |
| Total | | | 884,463 | 651,261 | 780,600 | 72,238 | 2,388,562 |

Notes – Danske Bank Group

(DKK millions)

Impairment charges

Rating categories 10 and 11 include customers with exposures for which objective evidence of impairment exists. Exposure to customers in the other rating categories is subject to collective impairment testing.

The allowance account includes all impairments on loans and advances at amortised cost, loans at fair value, amounts due from credit institutions and central banks, and irrevocable loan commitments and guarantees.

Allowance account broken down by segment and type of impairment

| | Personal Banking | Business Banking | C&I | Other Activities | Allowance account, total | Impairment charges | |
|--|---------------------|---------------------|-------|---------------------|--------------------------------|--------------------|------------|
| | | | | | | Individual | Collective |
| 1 January 2012 | 7,873 | 22,713 | 2,042 | 137 | 32,765 | 29,327 | 3,438 |
| New impairment charges | 3,516 | 7,494 | 2,011 | 28 | 13,049 | 11,252 | 1,797 |
| Reversals of impairment charges from previous periods | 1,144 | 3,467 | 847 | 49 | 5,507 | 3,689 | 1,818 |
| Write-offs debited to allowance account | 1,019 | 3,183 | 329 | 112 | 4,643 | 4,643 | - |
| Foreign currency translation | 36 | 266 | -10 | - | 292 | 263 | 29 |
| Other items | 52 | 138 | 10 | -1 | 199 | 199 | - |
| 31 December 2012 | 9,314 | 23,961 | 2,877 | 3 | 36,155 | 32,709 | 3,446 |
| New impairment charges | 2,740 | 3,251 | 519 | - | 6,510 | 5,592 | 918 |
| Reversals of impairment charges from previous periods | 1,580 | 2,191 | 202 | - | 3,973 | 2,990 | 983 |
| Write-offs debited to allowance account | 1,039 | 756 | 97 | - | 1,892 | 1,892 | - |
| Foreign currency translation | -39 | -371 | 8 | - | -402 | -362 | -40 |
| Other items | 267 | 213 | -10 | -2 | 468 | 469 | -1 |
| 30 June 2013 | 9,663 | 24,107 | 3,095 | 1 | 36,866 | 33,526 | 3,340 |

Collective impairments include charges that reflect the migration of customers from one rating category to another. If all customers were downgraded one rating category with no corresponding interest rate change, collective impairment charges would increase by about DKK 4.4 billion (31 December 2012: about DKK 5.5 billion).

If the value of collateral provided by customers in rating categories 10 and 11 decreased 10%, individual impairment charges would increase by about DKK 2.8 billion (31 December 2012: about DKK 3.0 billion).

Allowance account broken down by items on and off the balance sheet

| | 30 June 2013 | 31 December 2012 |
|--|-----------------|---------------------|
| Due from credit institutions and central banks | 89 | 91 |
| Loans and advances at amortised cost | 32,004 | 30,990 |
| Loans at fair value | 3,600 | 3,096 |
| Other liabilities | 1,173 | 1,978 |
| Total | 36,866 | 36,155 |

Loan impairment charges, including non-core

| | First half 2013 | First half 2012 |
|---|--------------------|--------------------|
| New and increased impairment charges | 8,333 | 11,427 |
| Reversals of impairment charges | 5,012 | 4,545 |
| Write-offs charged directly to income statement | 632 | 599 |
| Received on claims previously written off | 530 | 352 |
| Interest income, effective interest method | -274 | -98 |
| Total | 3,149 | 7,031 |

Notes – Danske Bank Group

(DKK millions)

Credit exposure, collateral, allowance account and impairment charges broken down by industry

| | Credit exposure | | Collateral after haircut | | Allowance account | | Impairment charges | |
|--|------------------|---------------------|--------------------------|---------------------|-------------------|---------------------|--------------------|--------------------|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | First half 2013 | First half 2012 |
| Public institutions | 156,008 | 215,600 | 12,772 | 17,036 | 2 | - | 1 | -1 |
| Banks | 98,197 | 106,532 | 49,824 | 46,903 | 94 | 92 | -2 | 2 |
| Credit institutes | 31,677 | 44,127 | 20,586 | 30,489 | - | - | - | - |
| Insurance | 45,547 | 40,465 | 39,619 | 29,915 | 18 | 6 | 13 | 1 |
| Investments funds | 119,706 | 94,695 | 113,589 | 77,851 | 520 | 575 | -32 | 20 |
| Other financials | 117,137 | 116,553 | 90,688 | 92,043 | 163 | 34 | 1 | -26 |
| Agriculture | 66,120 | 67,527 | 51,106 | 52,434 | 3,209 | 2,568 | 282 | 78 |
| Commercial property | 239,148 | 240,720 | 196,972 | 194,116 | 8,666 | 7,581 | 438 | 696 |
| Construction, engineering and building products | 34,973 | 34,538 | 9,195 | 9,785 | 3,349 | 3,187 | 150 | 398 |
| Consumer discretionary | 76,996 | 76,491 | 35,981 | 35,078 | 3,371 | 3,188 | -101 | 382 |
| Consumer staples | 48,477 | 48,355 | 18,239 | 17,081 | 458 | 387 | 16 | 51 |
| Energy and utilities | 35,884 | 38,783 | 4,722 | 6,968 | 110 | 75 | 10 | 35 |
| Health care | 26,671 | 23,883 | 10,232 | 7,231 | 129 | 103 | 8 | 22 |
| Industrial services, supplies and machinery | 72,582 | 67,945 | 16,159 | 16,446 | 2,097 | 1,970 | 31 | 194 |
| IT and telecommunication services | 20,683 | 21,702 | 2,213 | 2,253 | 456 | 542 | -45 | 85 |
| Materials | 40,061 | 39,732 | 9,403 | 9,768 | 969 | 909 | 61 | 15 |
| Non-profit and associations | 119,736 | 123,997 | 107,422 | 104,357 | 1,082 | 990 | 66 | 201 |
| Other commercial | 24,725 | 38,968 | 6,640 | 8,003 | 460 | 2,640 | 17 | 137 |
| Shipping | 39,711 | 43,735 | 20,720 | 25,246 | 2,144 | 1,950 | 96 | 649 |
| Transportation | 18,755 | 19,074 | 8,217 | 8,965 | 363 | 358 | 25 | 11 |
| Personal customers | 863,375 | 885,140 | 730,595 | 747,848 | 9,206 | 9,000 | 1,348 | 1,648 |
| Total | 2,296,169 | 2,388,562 | 1,554,894 | 1,539,816 | 36,866 | 36,155 | 2,383 | 4,598 |

Notes – Danske Bank Group

(DKK millions)

Credit exposure, collateral, allowance account and impairment charges broken down by geographical area

| | Credit exposure | | Collateral after haircut | | Allowance account | | Impairment charges | |
|---------------------------|------------------|---------------------|--------------------------|---------------------|-------------------|---------------------|--------------------|--------------------|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | First half 2013 | First half 2012 |
| Denmark | 1,229,785 | 1,269,426 | 882,014 | 866,882 | 21,033 | 20,026 | 2,083 | 2,332 |
| Finland | 202,278 | 223,284 | 125,782 | 131,500 | 2,183 | 2,687 | -268 | 346 |
| Sweden | 276,213 | 302,083 | 174,275 | 181,088 | 1,380 | 1,525 | -31 | 282 |
| Ireland | 31,619 | 36,837 | 15,643 | 16,941 | 1,817 | 1,259 | 140 | 528 |
| UK | 134,578 | 136,380 | 100,005 | 96,716 | 6,735 | 6,696 | 343 | 984 |
| Germany | 43,454 | 37,246 | 2,974 | 2,876 | 232 | 255 | -24 | 60 |
| Estonia | 6,327 | 9,582 | 6,777 | 6,655 | 418 | 540 | -73 | -135 |
| Latvia | 2,641 | 2,350 | 1,178 | 1,013 | 266 | 293 | - | -13 |
| Lithuania | 8,428 | 8,232 | 4,986 | 5,004 | 784 | 848 | -59 | -80 |
| Spain | 6,228 | 1,818 | 4,997 | 635 | 28 | 21 | 7 | 1 |
| France | 10,154 | 10,569 | 7,183 | 6,076 | 38 | 89 | 89 | 18 |
| Italy | 382 | 707 | 75 | 83 | 9 | 7 | 2 | - |
| Portugal | 81 | 78 | 56 | 49 | 2 | 3 | -1 | -1 |
| Greece | 42 | 38 | 33 | 29 | - | - | - | - |
| Belgium | 4,388 | 6,009 | 1,106 | 2,619 | 7 | 8 | - | - |
| Cyprus | 3,262 | 3,258 | 1,700 | 1,804 | 54 | 56 | -3 | 30 |
| Netherlands | 2,073 | 2,322 | 348 | 334 | 16 | 40 | -23 | 3 |
| Luxembourg | 68,206 | 58,093 | 67,024 | 54,225 | 46 | 43 | - | -1 |
| Poland | 2,495 | 3,394 | 455 | 918 | 9 | 10 | -1 | - |
| Other EU member states | 1,070 | 1,243 | 172 | 190 | 22 | 22 | 2 | 3 |
| Norway | 186,347 | 205,319 | 122,207 | 136,581 | 1,458 | 1,419 | 168 | 121 |
| Eastern Europe | 1,945 | 3,503 | 442 | 377 | 4 | 3 | -3 | 5 |
| Switzerland | 5,823 | 4,223 | 701 | 1,041 | 21 | 41 | -1 | 13 |
| Turkey | 1,868 | 1,427 | 108 | 130 | 1 | 1 | 1 | 1 |
| Other European countries | 803 | 839 | 551 | 535 | 65 | 64 | 1 | - |
| North America | 53,387 | 43,258 | 29,968 | 16,578 | 187 | 151 | 28 | 98 |
| Central and South America | 1,596 | 3,855 | 318 | 3,415 | 2 | 2 | - | -1 |
| Africa | 2,026 | 2,711 | 1,162 | 1,484 | 3 | 2 | 1 | 1 |
| Asia | 7,600 | 9,233 | 2,470 | 3,888 | 43 | 44 | 2 | 3 |
| Oceania | 1,070 | 1,245 | 184 | 150 | 3 | - | 3 | - |
| Total | 2,296,169 | 2,388,562 | 1,554,894 | 1,539,816 | 36,866 | 36,155 | 2,383 | 4,598 |

Notes – Danske Bank Group

(DKK millions)

Credit exposure at Non-core

The tables below show the credit exposure of Danske Bank's Non-core business.

Credit exposure, collateral, allowance account and impairment charges broken down by industry

| | Credit exposure | | Collateral after haircut | | Allowance account | | Impairment charges |
|------------------------|-----------------|------------------|--------------------------|------------------|-------------------|------------------|--------------------|
| | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 | first half 2013 |
| Financials | 14,721 | 16,608 | 9,965 | 11,762 | 44 | 159 | -144 |
| Commercial property | 6,040 | 7,206 | 4,573 | 5,493 | 6,129 | 6,519 | 208 |
| Consumer discretionary | 1,308 | 1,437 | 616 | 677 | 1,005 | 845 | 165 |
| Personal customers | 7,220 | 7,143 | 5,001 | 5,058 | 1,712 | 1,822 | 256 |
| Other | 2,259 | 2,085 | 2,182 | 2,389 | 1,955 | 2,291 | 281 |
| Total | 31,548 | 34,479 | 22,337 | 25,379 | 10,845 | 11,636 | 766 |

Credit exposure and collateral broken down by rating category

| Rating category | Upper PD | Lower PD | Credit exposure | | Collateral after haircut | |
|---------------------------|----------|----------|-----------------|------------------|--------------------------|------------------|
| | | | 30 June 2013 | 31 December 2012 | 30 June 2013 | 31 December 2012 |
| 1 | 0.00 | 0.01 | 3,305 | 3,810 | 2,824 | 3,293 |
| 2 | 0.01 | 0.03 | 3,954 | 3,948 | 3,473 | 3,349 |
| 3 | 0.03 | 0.06 | 740 | 708 | 566 | 619 |
| 4 | 0.06 | 0.14 | 2,169 | 2,606 | 1,511 | 1,745 |
| 5 | 0.14 | 0.31 | 3,148 | 3,638 | 1,508 | 1,910 |
| 6 | 0.31 | 0.63 | 1,541 | 1,710 | 1,465 | 1,619 |
| 7 | 0.63 | 1.90 | 486 | 873 | 566 | 772 |
| 8 | 1.90 | 7.98 | 3,229 | 4,078 | 2,134 | 2,685 |
| 9 | 7.98 | 25.70 | 2,324 | 2,465 | 809 | 1,490 |
| 10 | 25.70 | 99.99 | 3,091 | 2,068 | 1,688 | 1,379 |
| Impaired portion | 25.70 | 99.99 | 1,953 | 884 | 1,360 | 1,071 |
| 11 (Non-performing loans) | 99.99 | 100 | 7,561 | 8,575 | 5,793 | 6,518 |
| Impaired portion | 99.99 | 100 | 7,235 | 8,222 | 5,571 | 6,273 |
| Total | | | 31,548 | 34,479 | 22,337 | 25,379 |

Notes – Danske Bank Group

(DKK millions)

Credit exposure from trading and investing activities

At 30 June 2013, Danske Bank's credit exposure from trading and investing activities amounted to DKK 844 billion, relating primarily to bonds (DKK 538 billion) and derivatives with positive fair value (DKK 298 billion).

Bond portfolio

| | Central and local govern- ment bonds | Quasi- government bonds | Danish mortgage bonds | Swedish covered bonds | Other covered bonds | Short-term bonds (CP etc.) | Corporate bonds | Total |
|-------------------------|--|-------------------------------|-----------------------------|-----------------------------|---------------------------|-------------------------------|--------------------|----------------|
| 30 June 2013 | | | | | | | | |
| Held-for-trading | 200,561 | 7,485 | 126,287 | 55,259 | 13,420 | - | 17,111 | 420,123 |
| Designated | 4,682 | - | 36,858 | 538 | 566 | - | 3,897 | 46,541 |
| Available-for-sale | 156 | 590 | 57,135 | - | 6,125 | - | 117 | 64,123 |
| Held-to-maturity | 7,543 | - | - | - | 44 | - | 67 | 7,654 |
| Total | 212,942 | 8,075 | 220,280 | 55,797 | 20,155 | - | 21,192 | 538,441 |
| 31 December 2012 | | | | | | | | |
| Held-for-trading | 173,090 | 4,783 | 127,787 | 56,007 | 14,462 | 9,536 | 15,076 | 400,741 |
| Designated | 2,009 | - | 27,435 | - | 832 | - | 78 | 30,354 |
| Available-for-sale | 160 | 614 | 57,469 | - | 7,615 | - | 118 | 65,976 |
| Held-to-maturity | 6,561 | - | - | - | 46 | - | 1,703 | 8,310 |
| Total | 181,820 | 5,397 | 212,691 | 56,007 | 22,955 | 9,536 | 16,975 | 505,381 |

The bond portfolio includes bonds worth DKK 142,513 million (31 December 2012: DKK 152,233 million) recognised as assets under insurance contracts. For bonds classified as held-to-maturity, fair value equalled amortised cost at 30 June 2013. At the end of 2012, fair value also equalled amortised cost.

Notes – Danske Bank Group

(DKK millions)

Bond portfolio broken down by geographical area

| 30 June 2013 | Central and local government bonds | Quasi-government bonds | Danish mortgage bonds | Swedish covered bonds | Other covered bonds | Short-term bonds (CP etc.) | Corporate bonds | Total |
|-------------------------|------------------------------------|------------------------|-----------------------|-----------------------|---------------------|----------------------------|-----------------|----------------|
| Denmark | 27,608 | - | 220,280 | - | 13 | - | 4,604 | 252,505 |
| Sweden | 33,853 | - | - | 55,797 | - | - | 4,345 | 93,995 |
| UK | 14,374 | 159 | - | - | 5,734 | - | 591 | 20,858 |
| Norway | 5,293 | 109 | - | - | 6,237 | - | 4,505 | 16,144 |
| USA | 2,955 | 1,564 | - | - | 41 | - | 714 | 5,274 |
| Spain | 6,242 | - | - | - | 4,322 | - | - | 10,564 |
| France | 30,868 | - | - | - | 1,432 | - | 1,406 | 33,706 |
| Luxembourg | - | 6,227 | - | - | - | - | 24 | 6,251 |
| Canada | 1,181 | - | - | - | - | - | 92 | 1,273 |
| Finland | 8,617 | 16 | - | - | 977 | - | 1,184 | 10,794 |
| Ireland | 3,010 | - | - | - | 154 | - | 108 | 3,272 |
| Italy | 11,140 | - | - | - | - | - | - | 11,140 |
| Portugal | 83 | - | - | - | - | - | - | 83 |
| Austria | 4,641 | - | - | - | - | - | 34 | 4,675 |
| Netherlands | 6,904 | - | - | - | 998 | - | 2,405 | 10,307 |
| Germany | 47,529 | - | - | - | 142 | - | 466 | 48,137 |
| Belgium | 6,951 | - | - | - | 105 | - | - | 7,056 |
| Lithuania | 857 | - | - | - | - | - | - | 857 |
| Other | 836 | - | - | - | - | - | 714 | 1,550 |
| Total | 212,942 | 8,075 | 220,280 | 55,797 | 20,155 | - | 21,192 | 538,441 |
| 31 December 2012 | | | | | | | | |
| Denmark | 25,221 | - | 212,691 | - | 77 | 883 | 5,350 | 244,222 |
| Sweden | 41,407 | - | - | 56,007 | - | 2,569 | 2,674 | 102,657 |
| UK | 12,358 | 20 | - | - | 8,268 | 378 | 119 | 21,143 |
| Norway | 3,593 | - | - | - | 6,544 | 2,680 | 3,305 | 16,122 |
| USA | 5,839 | 1,478 | - | - | 237 | - | 883 | 8,437 |
| Spain | 3,161 | - | - | - | 4,513 | 179 | 19 | 7,872 |
| France | 14,191 | - | - | - | 1,719 | 1,283 | 489 | 17,682 |
| Luxembourg | - | 3,791 | - | - | - | - | 1,609 | 5,400 |
| Canada | 1,027 | - | - | - | - | - | 54 | 1,081 |
| Finland | 6,278 | 108 | - | - | 654 | 215 | 660 | 7,915 |
| Ireland | 2,582 | - | - | - | 71 | - | 47 | 2,700 |
| Italy | 4,614 | - | - | - | 4 | - | - | 4,618 |
| Portugal | 120 | - | - | - | - | - | 120 | 240 |
| Austria | 3,233 | - | - | - | - | - | 162 | 3,395 |
| Netherlands | 8,946 | - | - | - | 593 | 1,139 | 1,112 | 11,790 |
| Germany | 44,877 | - | - | - | 19 | 210 | 372 | 45,478 |
| Belgium | 3,419 | - | - | - | 53 | - | - | 3,472 |
| Lithuania | 327 | - | - | - | - | - | - | 327 |
| Other | 627 | - | - | - | 203 | - | - | 830 |
| Total | 181,820 | 5,397 | 212,691 | 56,007 | 22,955 | 9,536 | 16,975 | 505,381 |

Credit exposure to government bonds issued by Ireland, Portugal, Italy and Spain amounted to DKK 20.5 billion at 30 June 2013 (31 December 2012: DKK 10.5 billion). All government bonds issued by these countries were recognised at fair value. When unsettled transactions in bonds issued by these countries and hedging transactions are taken into account, the total risk exposure was DKK 5.4 billion (31 December 2012: DKK 3.2 billion). At 30 June 2013, the bond portfolio did not include government bonds issued by Greece or Cyprus. Exposures below DKK 1 billion are aggregated in the Other category. Risk Management 2012 provides additional details about Danske Bank's risk on its bond portfolio. The publication is not covered by the statutory audit.

Notes – Danske Bank Group

| (DKK millions) | | |
|---|--------------|------------------|
| Derivatives with positive fair value | 30 June 2013 | 31 December 2012 |
| Derivatives with positive fair value before netting | 499,216 | 711,023 |
| Netting (under accounting rules) | 201,703 | 302,033 |
| Carrying amount | 297,513 | 408,990 |
| Netting (under capital adequacy rules) | 218,379 | 303,974 |
| Net current exposure | 79,134 | 105,016 |
| Derivatives with positive fair value after netting for accounting purposes: | | |
| Interest rate contracts | 226,641 | 309,743 |
| Currency contracts | 67,002 | 96,318 |
| Other contracts | 3,870 | 2,929 |
| Total | 297,513 | 408,990 |

Interim financial statements – Danske Bank A/S

[DKK millions]

The financial statements of the Parent Company, Danske Bank A/S, are prepared in accordance with the Danish Financial Business Act and the Danish FSA's Executive Order No. 113 of 7 February 2013 on Financial Reports for Credit Institutions and Investment Companies, etc.

The rules are identical to the Group's IFRS compliant valuation and measurement principles with the following exceptions:

- Domicile property is measured (revalued) at its estimated fair value through Other comprehensive income
- The available-for-sale financial assets category is not used

The estimated fair value of domicile property is determined in accordance with the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. Available-for-sale financial assets are measured at fair value through profit or loss.

Holdings in subsidiaries are measured on the basis of the equity method, and tax payable by these undertakings is expensed under Income from associates and group undertakings.

The format of the Parent Company's financial statements is not identical to the format of the consolidated financial statements prepared in accordance with IFRSs.

The table below shows the differences in net profit and shareholders' equity between the IFRS consolidated financial statements and the Parent Company's financial statements presented in accordance with Danish FSA rules.

| | Net profit | | Shareholders' equity | |
|---|--------------------|--------------------|----------------------|---------------------|
| | First half 2013 | First half 2012 | 30 June 2013 | 31 December 2012 |
| Consolidated financial statements (IFRSs) | 3,656 | 2,273 | 141,624 | 138,004 |
| Domicile property | -28 | -13 | 1,189 | 1,048 |
| Available-for-sale financial assets | 617 | 217 | - | - |
| Pension obligations | - | - | - | - |
| Tax effect | -159 | -86 | -224 | -85 |
| Reserves in undertakings consolidated on a pro rata basis | - | - | 3,002 | 3,002 |
| Consolidated financial statements (Danish FSA rules) | 4,086 | 2,391 | 145,591 | 141,969 |
| Non-controlling interests | - | -1 | 1 | 4 |
| Reserves in undertakings consolidated on a pro rata basis | - | - | 3,002 | 3,002 |
| Goodwill on acquisition of non-controlling interests | - | - | 10 | 10 |
| Parent Company financial statements (Danish FSA rules) | 4,086 | 2,392 | 142,598 | 138,973 |

Income statement – Danske Bank A/S

| Note | (DKK millions) | First half 2013 | First half 2012 |
|------|---|--------------------|--------------------|
| | Interest income | 18,667 | 21,809 |
| | Interest expense | 10,631 | 12,585 |
| | Net interest income | 8,036 | 9,224 |
| | Dividends from shares etc. | 1,232 | 286 |
| | Fee and commission income | 4,837 | 4,723 |
| | Fees and commissions paid | 1,294 | 1,318 |
| | Net interest and fee income | 12,811 | 12,915 |
| 1 | Value adjustments | 546 | 2,818 |
| | Other operating income | 741 | 908 |
| | Staff costs and administrative expenses | 8,414 | 8,541 |
| | Amortisation, depreciation and impairment charges | 813 | 1,065 |
| | Other operating expenses | 86 | 27 |
| | Loan impairment charges etc. | 2,097 | 5,110 |
| | Income from associates and group undertakings | 2,346 | 1,712 |
| | Profit before tax | 5,034 | 3,610 |
| | Tax | 948 | 1,218 |
| | Net profit for the period | 4,086 | 2,392 |

Statement of comprehensive income – Danske Bank A/S

| Note | (DKK millions) | First half 2013 | First half 2012 |
|------|--|--------------------|--------------------|
| | Net profit for the period | 4,086 | 2,392 |
| | Other comprehensive income | | |
| | Items that will not be reclassified to profit or loss | | |
| | Remeasurement of defined benefit plans | -214 | -745 |
| | Tax | 77 | 134 |
| | Items that will not be reclassified to profit or loss | -137 | -611 |
| | Items that are or may be reclassified subsequently to profit or loss | | |
| | Translation of units outside Denmark | -665 | 432 |
| | Hedging of units outside Denmark | 595 | -468 |
| | Fair value adjustment of domicile property | 10 | -114 |
| | Tax | -111 | 97 |
| | Items that are or may be reclassified subsequently to profit or loss | -171 | -53 |
| | Total other comprehensive income | -308 | -664 |
| | Total comprehensive income for the period | 3,778 | 1,728 |

Balance sheet – Danske Bank A/S

| Note | (DKK millions) | 30 June 2013 | 31 December 2012 | 30 June 2012 |
|-----------------------------------|---|------------------|---------------------|------------------|
| ASSETS | | | | |
| | Cash in hand and demand deposits with central banks | 55,583 | 69,141 | 27,635 |
| | Due from credit institutions and central banks | 174,454 | 217,162 | 195,181 |
| | Loans, advances and other amounts due at amortised cost | 956,880 | 957,971 | 1,034,424 |
| | Bonds at fair value | 527,048 | 509,727 | 500,637 |
| | Bonds at amortised cost | 1,209 | 3,959 | 4,662 |
| | Shares etc. | 6,445 | 5,660 | 3,558 |
| | Holdings in associates | 1,059 | 803 | 775 |
| | Holdings in group undertakings | 96,032 | 98,703 | 98,090 |
| | Assets under pooled schemes | 46,134 | 48,743 | 45,499 |
| | Intangible assets | 19,074 | 19,212 | 19,223 |
| | Land and buildings | 3,433 | 3,522 | 4,075 |
| | Investment property | 111 | 109 | 113 |
| | Domicile property | 3,322 | 3,413 | 3,962 |
| | Other tangible assets | 2,821 | 2,949 | 2,931 |
| | Current tax assets | 830 | 381 | 1,033 |
| | Deferred tax assets | 118 | 58 | 514 |
| | Assets temporarily taken over | 350 | 344 | 209 |
| | Other assets | 308,378 | 418,213 | 490,685 |
| | Prepayments | 829 | 771 | 911 |
| | Total assets | 2,200,677 | 2,357,319 | 2,430,042 |
| LIABILITIES AND EQUITY | | | | |
| AMOUNTS DUE | | | | |
| | Due to credit institutions and central banks | 456,897 | 499,899 | 577,040 |
| | Deposits and other amounts due | 727,165 | 761,317 | 697,506 |
| | Deposits under pooled schemes | 47,968 | 49,670 | 46,905 |
| | Issued bonds at amortised cost | 280,705 | 273,223 | 257,742 |
| | Current tax liabilities | 566 | 645 | 145 |
| | Other liabilities | 479,505 | 558,831 | 652,982 |
| | Deferred income | 979 | 1,002 | 1,043 |
| | Total amounts due | 1,993,785 | 2,144,587 | 2,233,363 |
| PROVISIONS FOR LIABILITIES | | | | |
| | Provisions for pensions and similar obligations | 466 | 708 | 1,080 |
| | Provisions for deferred tax | 5,865 | 5,443 | 4,685 |
| 2 | Provisions for losses on guarantees | 1,007 | 1,661 | 1,199 |
| | Other provisions for liabilities | 80 | 101 | 44 |
| | Total provisions for liabilities | 7,418 | 7,913 | 7,008 |
| SUBORDINATED DEBT | | | | |
| | Subordinated debt | 56,876 | 65,846 | 60,628 |
| SHAREHOLDERS' EQUITY | | | | |
| | Share capital | 10,086 | 10,086 | 9,317 |
| | Accumulated value adjustments | 205 | 280 | 232 |
| | Equity method reserve | 25,315 | 25,315 | 24,884 |
| | Retained earnings | 106,992 | 103,292 | 94,610 |
| | Proposed dividends | - | - | - |
| | Total shareholders' equity | 142,598 | 138,973 | 129,043 |
| | Total liabilities and equity | 2,200,677 | 2,357,319 | 2,430,042 |

Statement of capital – Danske Bank A/S

(DKK millions)

Changes in shareholders' equity

| | Share capital | Foreign currency translation reserve | Revaluation reserve | Equity method reserve | Retained earnings | Proposed dividends | Total |
|---|---------------|--------------------------------------|---------------------|-----------------------|-------------------|--------------------|---------|
| Shareholders' equity at 1 January 2013 | 10,086 | -362 | 642 | 25,315 | 103,315 | - | 138,996 |
| Changed recognition of defined benefit plans | - | - | - | - | -23 | - | -23 |
| Restated shareholders' equity at 1 January 2013 | 10,086 | -362 | 642 | 25,315 | 103,292 | - | 138,973 |
| Net profit for the period | - | - | - | - | 4,086 | - | 4,086 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Remeasurement of defined benefit plans | - | - | - | - | -214 | - | -214 |
| Translation of units outside Denmark | - | -665 | - | - | - | - | -665 |
| Hedging of units outside Denmark | - | 595 | - | - | - | - | 595 |
| Fair value adjustment of domicile property | - | - | 10 | - | - | - | 10 |
| Sale of domicile property | - | - | -16 | - | 16 | - | - |
| Tax | - | - | 1 | - | -35 | - | -34 |
| Total other comprehensive income | - | -70 | -5 | - | -233 | - | -308 |
| Total comprehensive income for the period | - | -70 | -5 | - | 3,853 | - | 3,778 |
| Transactions with owners | | | | | | | |
| Acquisition of own shares | - | - | - | - | -8,766 | - | -8,766 |
| Sale of own shares | - | - | - | - | 8,610 | - | 8,610 |
| Share-based payments | - | - | - | - | - | - | - |
| Tax | - | - | - | - | 3 | - | 3 |
| Shareholders' equity at 30 June 2013 | 10,086 | -432 | 637 | 25,315 | 106,992 | - | 142,598 |
| Shareholders' equity at 1 January 2012 | 9,317 | -369 | 743 | 24,884 | 92,815 | - | 127,390 |
| Net profit for the period | - | - | - | - | 2,392 | - | 2,392 |
| Other comprehensive income | | | | | | | |
| Remeasurement of defined benefit plans | - | - | - | - | -745 | - | -745 |
| Translation of units outside Denmark | - | 432 | - | - | - | - | 432 |
| Hedging of units outside Denmark | - | -468 | - | - | - | - | -468 |
| Fair value adjustment of domicile property | - | - | -114 | - | - | - | -114 |
| Tax | - | - | 8 | - | 223 | - | 231 |
| Total other comprehensive income | - | -36 | -106 | - | -522 | - | -664 |
| Total comprehensive income for the period | - | -36 | -106 | - | 1,870 | - | 1,728 |
| Transactions with owners | | | | | | | |
| Acquisition of own shares | - | - | - | - | -7,719 | - | -7,719 |
| Sale of own shares | - | - | - | - | 7,599 | - | 7,599 |
| Share-based payments | - | - | - | - | - | - | - |
| Tax | - | - | - | - | 45 | - | 45 |
| Shareholders' equity at 30 June 2012 | 9,317 | -405 | 637 | 24,884 | 94,610 | - | 129,043 |

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

Notes – Danske Bank A/S

| Note | (DKK millions) | 30 June 2013 | 30 June 2012 |
|------|-------------------------------|-----------------|-----------------|
| 1 | Value adjustments | | |
| | Loans at fair value | -527 | 70 |
| | Bonds | -2,008 | 1,189 |
| | Shares etc. | -1,116 | -194 |
| | Investment property | -24 | - |
| | Currency | 964 | 809 |
| | Derivatives | -1,782 | 2,192 |
| | Assets under pooled schemes | 996 | 2,650 |
| | Deposits under pooled schemes | -1,009 | -2,651 |
| | Other liabilities | 5,052 | -1,247 |
| | Total | 546 | 2,818 |

| 2 | Impairment charges for loans, advances and guarantees | Loans, advances and guarantees, individual impairment | Loans, advances and guarantees, collective impairment | Other amounts due, individual impairment | Other amounts due, collective impairment | Total |
|---|--|--|--|---|---|---------------|
| | Impairment charges at 1 January 2013 | 32,735 | 2,675 | 92 | - | 35,502 |
| | Impairment charges during the year | 5,454 | 820 | - | - | 6,274 |
| | Reversals of impairment charges from previous years | 5,248 | 928 | 3 | - | 6,179 |
| | Other changes | -118 | -14 | - | - | -132 |
| | Impairment charges at 30 June 2013 | 32,823 | 2,553 | 89 | - | 35,465 |
| | Value adjustment of assets taken over | - | - | - | - | - |
| | Impairment charges at 1 January 2012 | 34,793 | 3,405 | 93 | - | 38,291 |
| | Impairment charges during the year | 15,274 | 1,120 | 4 | - | 16,398 |
| | Reversals of impairment charges from previous years | 17,786 | 1,869 | 5 | - | 19,660 |
| | Other changes | 454 | 19 | - | - | 473 |
| | Impairment charges at 31 December 2012 | 32,735 | 2,675 | 92 | - | 35,502 |
| | Value adjustment of assets taken over | - | - | - | - | - |

Notes – Danske Bank A/S

Note (DKK millions)

3 Development in lending activities in Denmark in the first half of 2013

In May 2009, Danske Bank A/S raised subordinated loan capital in the form of hybrid capital of DKK 24 billion from the Danish state. Under Danish law, banks that raise state-funded capital must publish semi-annual statements on developments in their Danish lending activities.

Danske Bank A/S grants loans to personal and business customers in a number of countries. The table below shows the trend in loans and advances, irrevocable loan commitments and guarantees before impairment charges for business customers (including the public sector) and personal customers of Danske Bank A/S.

Loans etc. before impairment charges

| | 30 June 2013 | | | | 31 Dec 2012 | | | |
|--------------------------|--------------------|--------------------|------------------|------------|--------------------|--------------------|------------------|------------|
| | Business customers | Personal customers | Total | Share (%) | Business customers | Personal customers | Total | Share (%) |
| Denmark | 328,141 | 130,940 | 459,081 | 37 | 303,422 | 137,986 | 441,408 | 35 |
| Finland | 19,811 | 9 | 19,820 | 2 | 18,459 | 10 | 18,469 | 1 |
| Sweden | 169,054 | 88,069 | 257,123 | 21 | 192,411 | 91,413 | 283,824 | 22 |
| Ireland | 31,125 | 24,761 | 55,886 | 4 | 35,122 | 24,623 | 59,745 | 5 |
| UK | 83,234 | 569 | 83,803 | 7 | 83,049 | 521 | 83,570 | 7 |
| Germany | 16,500 | 185 | 16,685 | 1 | 15,311 | 190 | 15,501 | 1 |
| Baltics | 11,960 | 11,130 | 23,090 | 2 | 11,283 | 11,413 | 22,696 | 2 |
| Other EU member states | 86,184 | 728 | 86,912 | 7 | 79,939 | 760 | 80,699 | 6 |
| Norway | 106,593 | 77,582 | 184,175 | 15 | 118,641 | 84,650 | 203,291 | 16 |
| Eastern Europe | 496 | 30 | 526 | - | 564 | 35 | 599 | - |
| Other European countries | 3,438 | 270 | 3,708 | - | 3,343 | 284 | 3,627 | 1 |
| North America | 53,075 | 504 | 53,579 | 4 | 42,670 | 522 | 43,192 | 3 |
| Rest of world | 4,357 | 519 | 4,876 | - | 5,917 | 543 | 6,460 | 1 |
| Total | 913,968 | 335,296 | 1,249,264 | 100 | 910,131 | 352,950 | 1,263,081 | 100 |

Macroeconomic conditions remained weak in most of Danske Bank A/S's markets in the first half of 2013. This had an adverse effect on consumer and investment sentiment, and in Denmark, in particular, customer demand for credit was low in the period.

Danske Bank A/S grants credits on the basis of information about customers' individual financial circumstances. Customers are classified when facilities are established, and the Group regularly monitors their financial behaviour through its credit systems and procedures established for this purpose. Facilities should match customers' financial situation, including earnings, capital and assets, and business volume with Danske Bank to a reasonable degree, and customers must be able to substantiate their repayment ability. Collateral is usually required for loans and credit facilities. Danske Bank A/S exercises caution before granting credit facilities to businesses in troubled or cyclical industries.

Danske Bank A/S supported its creditworthy customers throughout the first half of 2013. In the period, Danske Bank A/S focused on bullet loans and interest-only loans granted to personal customers. Danske Bank is in contact with customers whose interest-only loans will start to amortise in 2013.

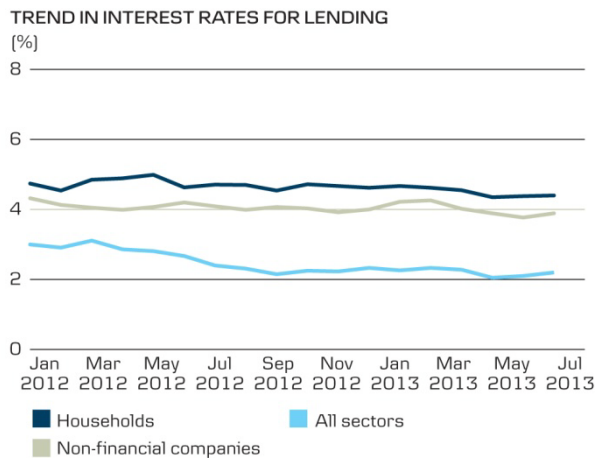
Danske Bank A/S remains focused on developments in certain industries, including the property and agricultural sectors.

More information about the Group's lending policy, rating of customers and credit risk management is available in section 4 of Risk Management 2012, published on 7 February 2013. The publication is not covered by the statutory audit. Risk Management 2012 is available at www.danskebank.com/ir.

Notes – Danske Bank A/S

Note

3 Declining interest rates in Denmark in the first half of 2013 also led to lower lending rates to customers. Interest rate levels for households were thus lower at the end of the first half of 2013 than at the beginning of the year. The levels for non-financial business customers were also lower than at the beginning of the year.



Danish business customers' demand for credit, measured in terms of the loan amounts applied for, fell 5% from the level in the second half of 2012. The number of loan applications from existing customers fell 4% in the first half of 2013, while credit demand from new customers rose. The share of approved applications rose for both existing and new customers.

Danish personal customers' demand for credit fell 19% from the level in the second half of 2012, but began to rise in the second quarter of 2013. Credit demand from existing customers fell 21%, while credit demand from new customers rose significantly above the level in the second half of 2012. The share of approved applications from existing customers was 93%. The share of approved applications from new customers was a little higher.

Notes – Danske Bank A/S

Note (DKK millions)

3 The table below shows the trend in loans and advances, irrevocable loan commitments and guarantees before impairment charges (cont'd) for customers of Danske Bank A/S resident in Denmark.

| Loans etc. before impairment charges | 30 June 2013 | | | 31 Dec. 2012 |
|--|--------------------|---------------|----------------|----------------|
| | Existing customers | New customers | Total | Total |
| Public sector | 13,947 | - | 13,947 | 12,812 |
| Business customers | | | | |
| Agriculture, hunting, forestry and fisheries | 9,925 | 85 | 10,010 | 9,732 |
| Manufacturing industries and extraction of raw materials | 35,859 | 1,471 | 37,330 | 36,166 |
| Energy and utilities | 5,088 | 42 | 5,130 | 6,365 |
| Building and construction | 5,129 | 213 | 5,342 | 5,376 |
| Trade | 15,915 | 313 | 16,228 | 16,518 |
| Transport, hotels and restaurants | 17,422 | 570 | 17,992 | 17,812 |
| Information and communication | 6,329 | 9 | 6,338 | 5,045 |
| Finance and insurance | 173,511 | 119 | 173,630 | 150,056 |
| Property administration | 20,311 | 2,110 | 22,421 | 21,059 |
| Other | 19,120 | 653 | 19,773 | 22,481 |
| Total business customers | 308,609 | 5,585 | 314,194 | 290,610 |
| Personal customers | | | | |
| Mortgages | 93,706 | 735 | 94,441 | 108,880 |
| Other | 34,685 | 1,814 | 36,499 | 29,106 |
| Total personal customers | 128,391 | 2,549 | 130,940 | 137,986 |
| Total | 450,947 | 8,134 | 459,081 | 441,408 |

New customers are customers to which Danske Bank A/S has not granted loans or other credit facilities in the past 12 months.

In compliance with statutory requirements, this lending statement is available as a separate document at www.danskebank.com/ir.

Notes – Danske Bank A/S

| | First half 2013 | Full year 2012 | First half 2012 |
|--|--------------------|-------------------|--------------------|
| RATIOS AND KEY FIGURES | | | |
| Total capital ratio (%) | 29.2 | 27.9 | 23.1 |
| Tier 1 capital ratio (%) | 27.4 | 25.1 | 21.3 |
| Return on equity before tax (%) | 3.6 | 5.7 | 2.8 |
| Return on equity after tax (%) | 2.9 | 3.9 | 1.9 |
| Cost/income ratio (DKK) | 1.44 | 1.26 | 1.24 |
| Interest rate risk (%) | 0.4 | 0.1 | 0.1 |
| Foreign exchange position (%) | 6.7 | 2.1 | 4.3 |
| Foreign exchange risk (%) | - | - | - |
| Loans and advances plus impairment charges as % of deposits | 128.0 | 122.3 | 144.5 |
| Gearing of loans and advances (%) | 6.7 | 6.9 | 8.0 |
| Growth in loans and advances (%) | -5.6 | 4.4 | 12.8 |
| Surplus liquidity in relation to statutory liquidity requirement (%) | 204.8 | 166.5 | 122.3 |
| Sum of large exposures as % of capital base | - | 11.8 | 12.1 |
| Funding ratio | 0.66 | 0.70 | 0.75 |
| Lending growth (year-on-year) | -9.6 | -4.0 | 7.2 |
| Real property exposure | 10 | 12 | 12 |
| Impairment ratio (%) | 0.2 | 0.8 | 0.4 |
| Earnings per share (DKK) | 4.1 | 5.3 | 2.6 |
| Book value per share (DKK) | 142.2 | 138.5 | 138.5 |
| Proposed dividend per share (DKK) | - | - | - |
| Share price/earnings per share (DKK) | 24.2 | 18.0 | 31.7 |
| Share price/book value per share (DKK) | 0.69 | 0.69 | 0.59 |

The ratios and key figures are defined by the Danish FSA in its Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board (management) have considered and approved Interim Report – First Half 2013 of Danske Bank Group.

The consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and the Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of listed financial institutions.

In our opinion, the interim financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 30 June 2013 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the period starting on 1 January 2013 and ending on 30 June 2013. Moreover, in our opinion, management's report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

Copenhagen, 1 August 2013

EXECUTIVE BOARD

Eivind Kolding
Chairman

Tonny Thierry Andersen

Thomas F. Borgen

Robert Endersby

Lars Mørch

Henrik Ramlau-Hansen

BOARD OF DIRECTORS

Ole Andersen
Chairman

Niels B. Christiansen
Vice Chairman

Urban Bäckström

Lars Förberg

Jørn P. Jensen

Carol Sergeant

Jim Hagemann Snabe

Trond Ø. Westlie

Susanne Arboe

Helle Brøndum

Carsten Eilertsen

Charlotte Hoffmann

Per Alling Toubro

AUDITORS' REVIEW REPORTS

INTERNAL AUDIT'S REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

We have reviewed the interim financial statements of Danske Bank Group and Danske Bank A/S for the period starting on 1 January 2013 and ending on 30 June 2013, pp. 44-83.

Scope of review

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, as well as performing analytical procedures and other review procedures. A review is substantially less in scope than an audit and consequently, the review does not provide assurance that we have become aware of all significant matters that might be identified in an audit. We have not conducted an audit, and, accordingly, we express no audit opinion.

Opinion

On the basis of our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions. Furthermore, nothing has come to our attention that causes us to believe that the interim financial statements of Danske Bank A/S have not been prepared, in all material respects, in accordance with the Danish Financial Business Act.

Copenhagen, 1 August 2013

Jens Peter Thomassen
Group Chief Auditor

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

To the shareholders of Danske Bank A/S

We have reviewed the interim financial statements of Danske Bank Group and Danske Bank A/S for the period starting on 1 January 2013 and ending on 30 June 2013, pp. 44–83. The interim financial statements comprise the income statement, statement of comprehensive income, balance sheet, statement of capital and notes for the Group as well as for Danske Bank A/S and the consolidated cash flow statement. The consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions. The Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act.

Management is responsible for the interim financial statements. Our responsibility is to express a conclusion on the interim financial statements based on our review.

Scope of review

We conducted our review in accordance with ISRE 2410 DK, Review of Interim Financial Information Performed by the Independent Auditor, and additional requirements under Danish audit regulation. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, as well as performing analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and additional requirements under Danish audit regulation, and, consequently, the review does not provide assurance that we have become aware of all significant matters that might be identified in an audit. We have not conducted an audit, and, accordingly, we express no audit opinion.

Opinion

On the basis of our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions. Furthermore, nothing has come to our attention that causes us to believe that the interim financial statements of Danske Bank A/S have not been prepared, in all material respects, in accordance with the Danish Financial Business Act.

Copenhagen, 1 August 2013
KPMG
Statsautoriseret Revisionspartnerselskab

Lars Rhod Søndergaard
State Authorised
Public Accountant

Jesper Ridder Olsen
State Authorised
Public Accountant

SUPPLEMENTARY INFORMATION

Conference call

Danske Bank will hold a press conference and a conference call on 1 August 2013 upon the presentation of its interim report for the first half of 2013. The press conference is scheduled for 10.00am CET, and the conference call for 2.30pm CET. The press conference and the conference call will be webcast live at www.danskebank.com.

FINANCIAL CALENDAR

| | |
|-----------------|--|
| 31 October 2013 | Interim Report - First Nine Months 2013 |
| 6 February 2014 | Annual Report 2013 |

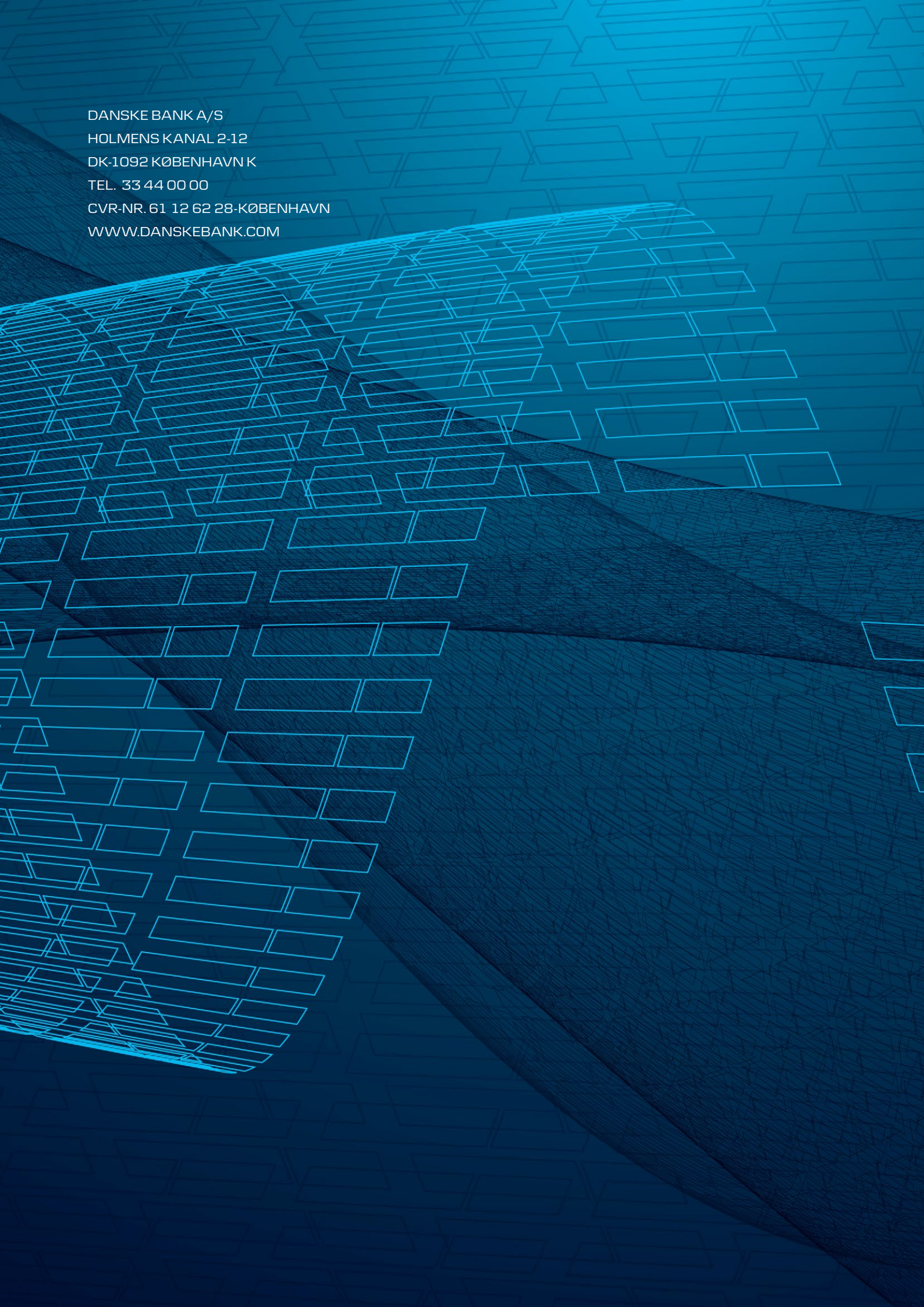
CONTACT

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LINKS

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| Danske Bank | www.danskebank.com |
| Denmark | www.danskebank.dk |
| Finland | www.danskebank.fi |
| Sweden | www.danskebank.se |
| Norway | www.danskebank.no |
| Northern Ireland | www.danskebank.co.uk |
| Ireland | www.danskebank.ie |
| Realkredit Danmark | www.rd.dk |
| Danske Capital | www.danskecapital.com |
| Danica Pension | www.danicapension.dk |

For more information about Danske Bank's financial statements, please go to www.danskebank.com/reports.



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