

To the editor

Group Communications
Holmens Kanal 2-12
DK-1092 København K
Tel. +45 45 14 56 95

24 July 2014

**Danske Bank reports net profit of DKK 6.9 billion (EUR 920.0 million)
for the first half of 2014**

Danske Bank has announced its financial results for the first half of 2014.

“We saw good progress in the first half of 2014,” says Thomas F. Borgen, CEO. “We increased net profit 88% from the level in the first half of 2013, and we are moving steadily in the right direction. Expenses are declining as expected, the positive trend in impairments is continuing, and we saw growing customer activity in the second quarter of 2014.

The products and solutions we have launched have been well received by our customers, and they will continue to further strengthen our market position. Our progress thus far in 2014 shows that we are on track to create a more customer-focused, cost-effective and competitive bank.”

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

First half 2014 vs. first half 2013

- In the first half of 2014, Danske Bank posted a profit before tax of DKK 8.6 billion (EUR 1,157.5 million). The net profit was DKK 6.9 billion (EUR 920.0 million). The net profit represents an increase of 88% from the level in the first half of 2013, driven by improvements in most income lines, lower expenses and lower impairments as well as a positive effect relating to the sale of our shareholding in Nets Holding A/S, which was divested on 9 July 2014.
- The return on shareholders' equity after tax was 9.2% p.a., against 5.2% p.a. for the first half of 2013. We are on track to reach our 2015 target.

- Total income amounted to DKK 21.7 billion (EUR 2,912.1 million), rising 9% from the first half of 2013. Income rose because of the positive effect relating to Nets, the repayment of the hybrid capital raised from the Danish state in April, stronger customer activity and higher net income from insurance business.
- Our focus on costs continued to produce savings according to plan. Expenses fell 6%, and the cost/income ratio improved to 50.8% from 59%.
- At DKK 1.3 billion (EUR 169.9 million) impairments in our core activities remained low and benefited from improving macroeconomic conditions and credit quality.
- The result of Non-core activities showed a loss before tax of DKK 0.8 billion (EUR 106.5 million). The result was in line with expectations, and the winding-up of our Non-core activities continues according to plan.
- At the end of June 2014, total lending largely matched the level at the end of 2013. Most of Danske Bank's markets saw weak growth and suppressed demand for credit. At the end of June 2014, total deposits were 2% below the level at the end of 2013.
- At 30 June 2014, the common equity tier 1 capital ratio and the total capital ratio were 14.4% and 18.6%, respectively, against 14.7% and 21.4% at 31 December 2013. The repayment in April 2014 of the hybrid capital raised from the Danish state caused the ratios to fall, although the effect has been partially offset by a number of capital issues in 2013 and 2014. Our capital base thus remains very solid.

With a liquidity coverage ratio of 133% at 30 June 2014, our liquidity position also remained strong.

Stronger net profit outlook

We expect net profit for 2014 to be in the range of DKK 10-13 billion (EUR 1,341-1,744 million). Our previous forecast was net profit at the higher end of a range of DKK 9-12 billion (EUR 1,207-1,610 million). The stronger outlook is owing mainly to improved developments in expenses and impairments as well as the positive effect relating to Nets.

Second quarter 2014 vs first quarter 2014

- In the second quarter of 2014, profit before tax amounted to DKK 5.0 billion (EUR 670.6 million). Net profit was up 44% to DKK 4.0 billion (EUR 542.8 million).

- Total income amounted to DKK 11.4 billion (EUR 1,525.9 million) and rose 10%. All income items contributed to the increase, including the positive effect relating to Nets.
- As expected, expenses rose marginally from the first-quarter level. The increase was owing mainly to restructuring costs.
- Impairments in core activities were largely the same as in the first quarter.

Danske Bank

Contacts:

Thomas F. Borgen, CEO, tel. +45 45 14 60 01

Henrik Ramlau-Hansen, CFO, tel. +45 45 14 06 66

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

This is a translation of a press release in the Danish language. In case of discrepancies, the Danish version prevails. Danish kroner translated into euros at an exchange rate of 1:7.4557.