

First quarter of 2003

May 6, 2003



Agenda

	<u>Page</u>
1. First quarter of 2003 in brief	3
2. Financial highlights	4
3. Business trends	7
4. Status of capitalisation	13
5. Trends in business areas	14
6. Outlook for remainder of 2003	30

First quarter of 2003 in brief

- Satisfactory advance

- Net profit for the period rose 17% over the level in Q1 2002 to Dkr2,259m
- Core income increased 4%
- Operating costs and depreciation were unchanged despite higher severance payments
- Provisions for bad and doubtful debts remain low
- Core earnings rose 6%
- Return on equity improved from 13.0% to 14.7%
- Net profit per share increased 20%
- Interruption of operations because of IT breakdown
- Share repurchases worth Dkr307m completed in Q1

Profit and loss account

- Income growth and cost containment

(DKr m)	Q1 2003	Q1 2002	Index 03/02
Core income	7,000	6,745	104
Costs	3,679	3,683	100
Core earnings before provisions	3,321	3,062	108
Prov. for bad and doubtful debts	478	386	124
Core earnings	2,843	2,676	106
Earnings from investment portfolios	229	95	241
Profit before tax	3,072	2,771	111
Tax	813	835	97
Net profit for the period	2,259	1,936	117

Balance sheet

- Lending affected by exchange rates and remortgaging

(DKr bn)	Q1 2003	Q1 2002	Index 03/02
Bank loans and advances	470	494	95
- Corporate	108	106	102
- Retail	362	388	93
Mortgage loans	478	454	105
Bonds and shares	438	312	140
Due to credit inst., etc.	349	270	129
Deposits	458	434	106
Bonds issued	688	623	110
Subordinated debt	30	35	86
Shareholders' equity	63	60	104
Total assets	1,764	1,554	114

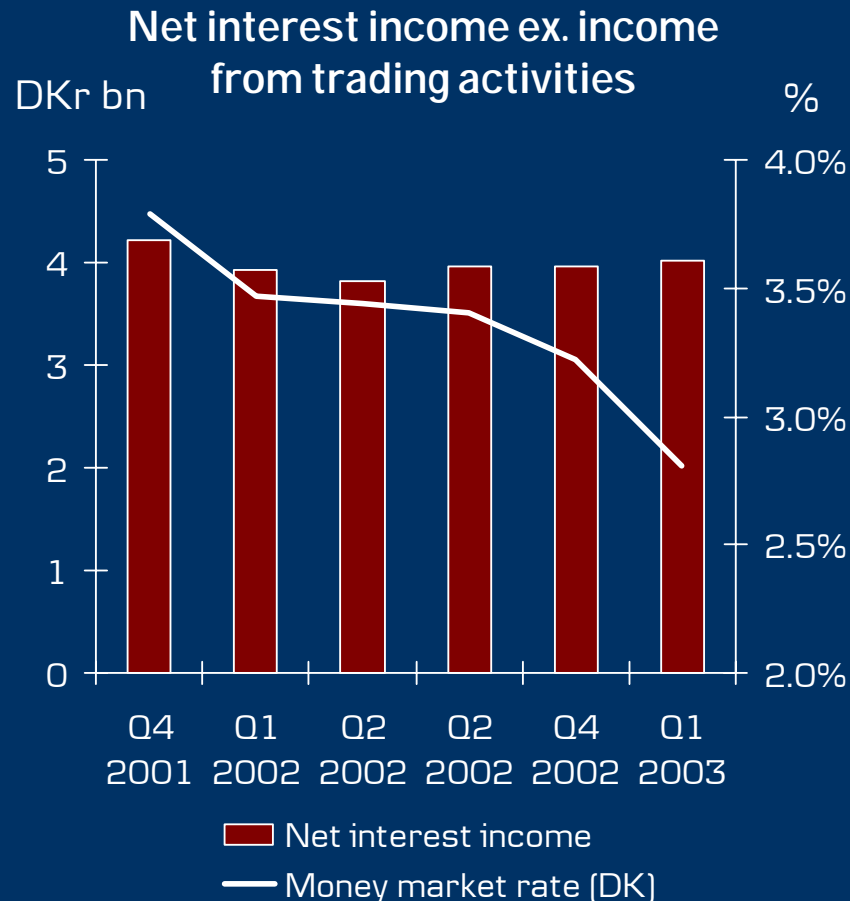
Key figures

- Improvement in major indicators

	Q1 2003	Q1 2002
Net profit for the period per share (DKr)	3.2	2.6
Return on avg. shareholders' equity (%)	14.7	13.0
Core earnings as a % of avg. shareholders' equity (%)	18.4	18.0
RAROC	30	24
Solvency ratio (%)	10.1	10.7
Core (tier 1) capital ratio (%)	7.4	7.3
Book value per share (€)	88.2	82.6
Cost/core income ratio (%)	52.6	54.6

Net interest income

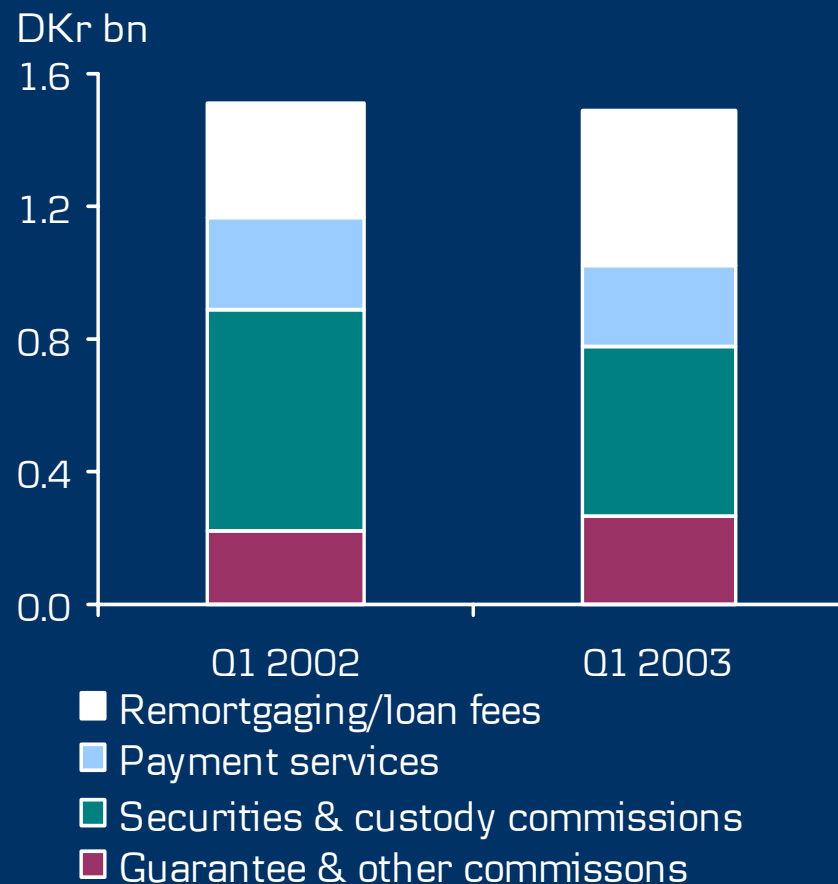
- Level maintained despite falling interest rates



- Net interest income rose DKr52m over Q1 2002
- Net interest income adversely affected by falling money market rates
- Extensive refinancing activity in mortgage lending contributed DKr80m in net interest income

Fee and commission income (net)

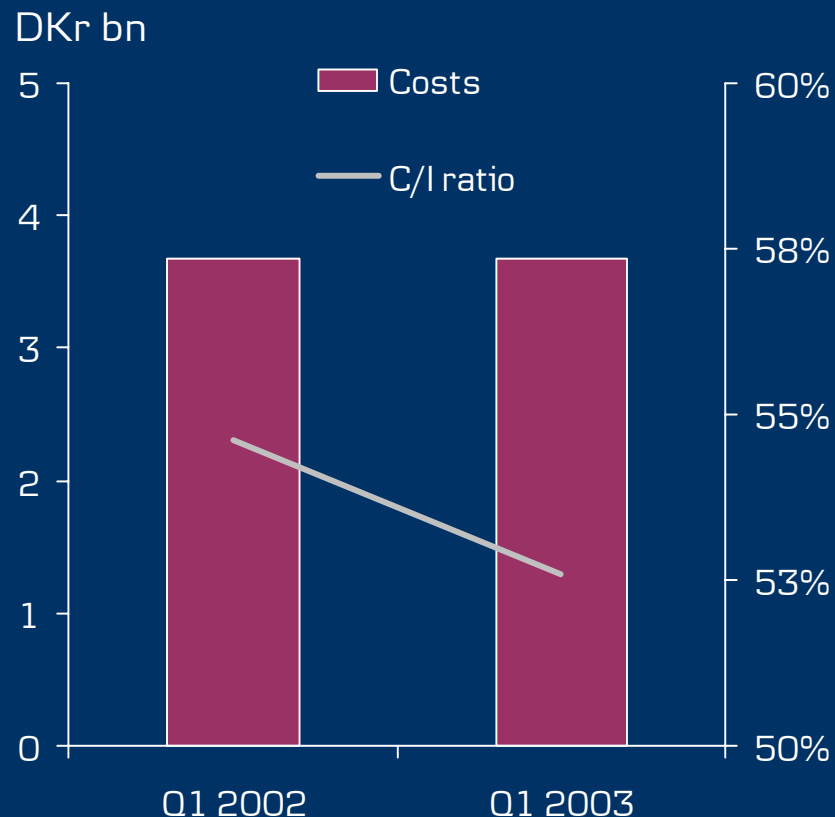
- Remortgaging activity offset weak capital markets



- Fee and commission income 2% below level in Q1 2002
- Growth in remortgaging and loan fees because of strong activity
- Drop in securities and custody commissions because of lower activity in the capital markets
- Decline in payment services because of customers' increased use of our Internet bank
- Rise in guarantee commissions and other commissions

Costs

- Improvement in cost/core income ratio continues



- The cost/core income ratio improved to 52.6 in Q1 2003
- Operating costs unchanged
- Costs affected positively by branch mergers, staff reductions and lower IT costs
- Costs affected adversely by severance payments and redesign of branch offices

IT breakdown

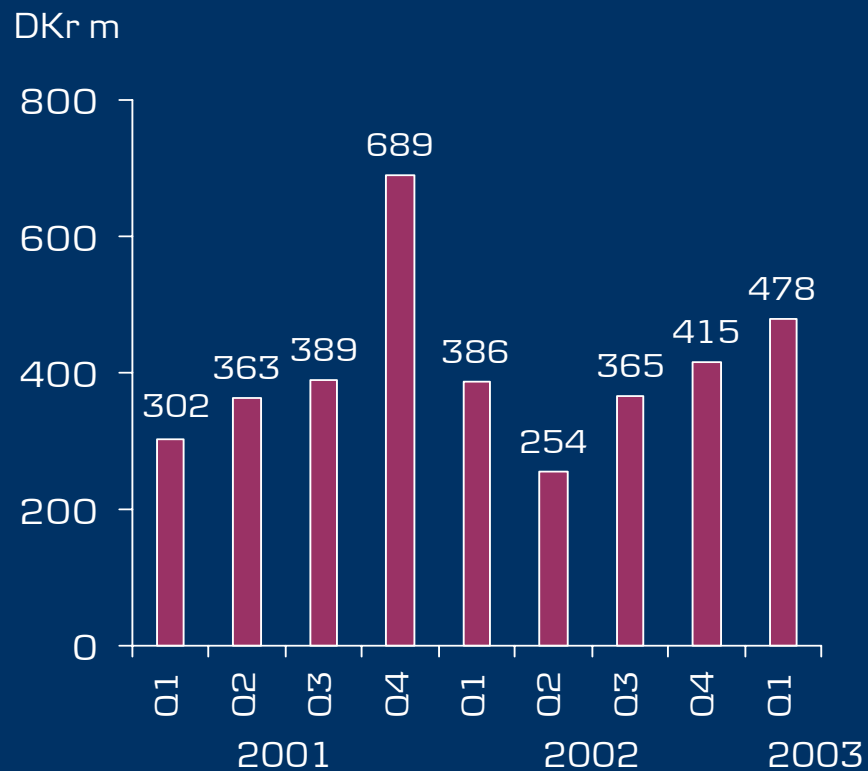
- Major interruption of operations

Background

- Routine replacement of defective electrical unit in an IBM disk system caused an IT breakdown
- **New initiatives**
- Update of the technology on the Bank's IT platform
- Storage of all data and systems on two sets of machines that copy each other's data
- **Financial consequences**
- Total costs of the IT breakdown are estimated to be around Dkr50m and are included in the Q1 result
- The breakdown does not affect Danske Bank's expectations for full-year 2003

Provisions for bad and doubtful debts

- Rise in line with our estimates

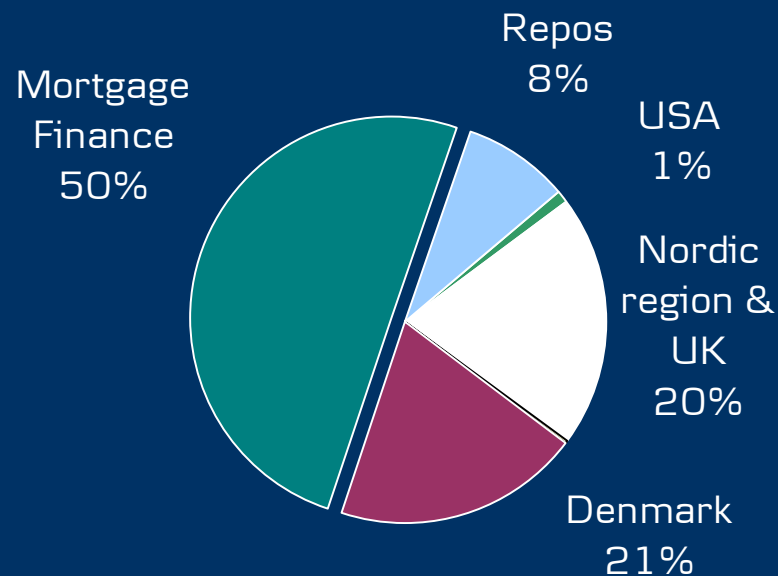


- Provisions for bad and doubtful debts amount to 18bp p.a. of loans, advances and guarantees
- Expected long-term average loss of 23bp (over a business cycle)
- Low-risk mortgage loans account for 50% of total loan portfolio

Trend in loans and advances

- Conservative loan book in line with strategy

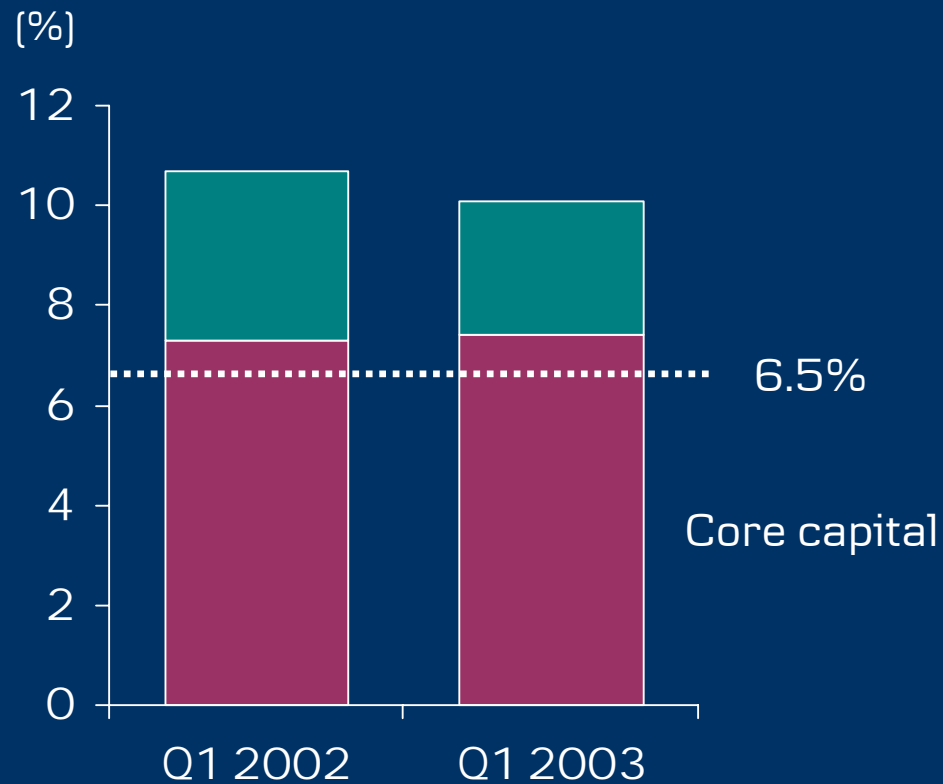
Breakdown of lending volume,
end-Q1 2003



- Half of the Group's loans and advances are very low-risk mortgage loans
- Bank loans and advances are concentrated in Denmark, the rest of the Nordic region and the UK
- Exposure outside core markets has been reduced

Solvency ratio

- Share repurchase initiative begun in Q1 will continue



- The Bank maintains its target for core capital of around 6.5%
- Target for payout ratio of 40%
- Share repurchases in Q1 2003 reduced shareholders' equity by Dkr307m
- Share buyback to continue in Q2 with target of total repurchase value of Dkr2bn

Note: Assumes a payout ratio of 40%.

Trends in business areas

- Especially strong trends in Mortgage Fin. & Markets

Core earnings before provisions (DKr m)	Q1		Percentage of total	
	2003	2002	Q1 2003	Q1 2002
Banking Activities	2.165	2.122	65%	69%
- Banking Activities, DK	1.535	1.471	46%	48%
- Banking Activities, Int'l	630	651	19%	21%
Mortgage Finance	619	519	19%	17%
Danske Markets	358	160	11%	5%
Danica Pension	269	253	8%	8%
Danske Capital	71	116	2%	4%
Other areas	-161	-108	-5%	-3%
Group total	3.321	3.062	100%	100%

RAROC

- Acceptable progress in the Groups risk adjusted return

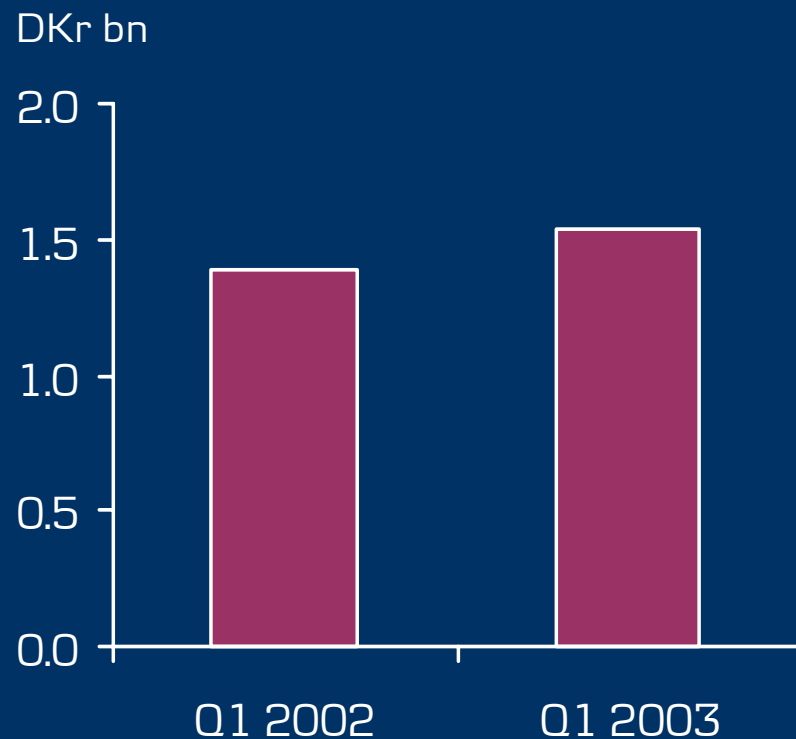
RAROC before tax (%)	Q1 2003	Q1 2002
Banking Activities	27	25
Mortgage Finance	55	43
Danske Markets	37	17
Danica Pension	4	5
Danske Capital	160	269
Investment Portfolio	71	23
Group total	30	24

- The cost of equity before tax is 13%
- Progress in risk adjusted return due to increased risk adjusted earnings in Danske Markets and Mortgage Finance
- Progress in investment portfolio because of favourable fixed income positions
- A low level in Danica Pension because the charge for the risk allowance was postponed until a later accounting period

Banking Activities, Denmark

- Further cost reductions drive improvement in earnings

Core earnings before provisions

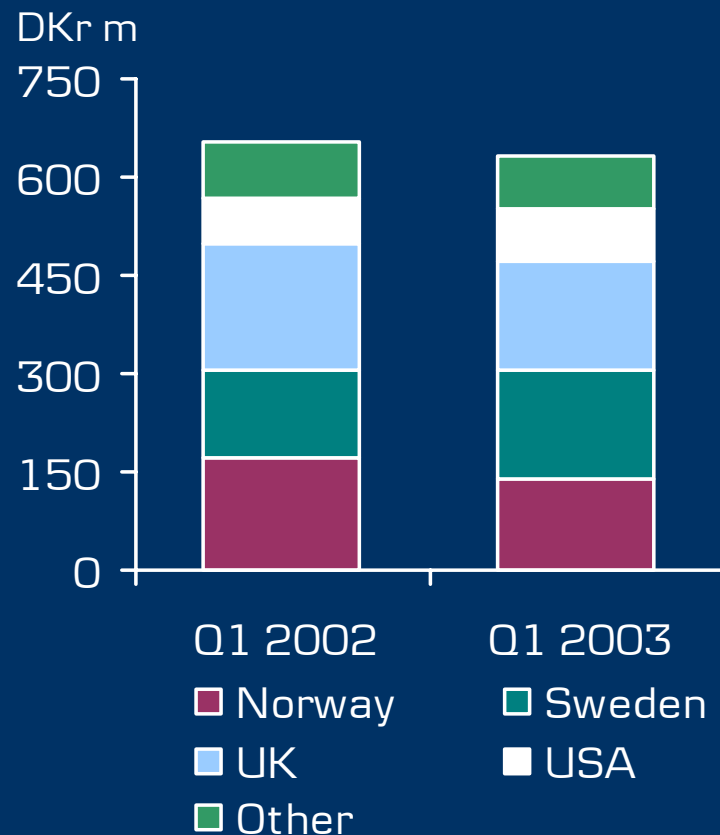


- The area accounts for 46% of the Group's total core earnings before provisions
- The drop in interest rates reduced income
- Costs were reduced by 9%
- The cost/core income ratio fell from 58.9 in Q1 2002 to 55.6 in Q1 2003
- Sales of customer packages proceed satisfactorily, with 60,000 sold in Q1 2003
- Stable trading in bonds and unit trusts - share trading still sluggish
- Market share maintained on loans and deposits

Banking Activities, International

- FX and pension contributions had adverse effect

Core earnings before provisions



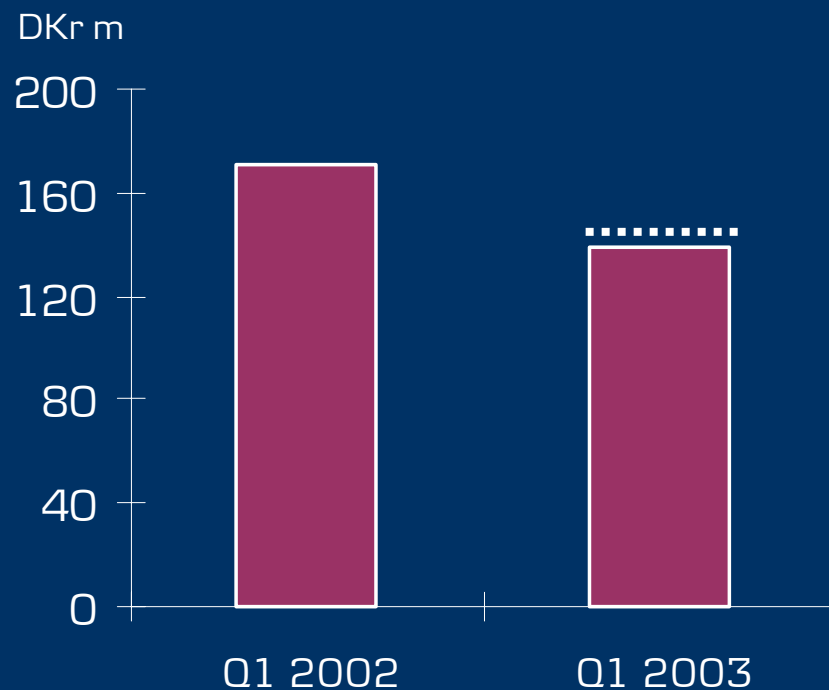
- Gain in core earnings before provisions of 4% in local currency
- Lower exchange rates reduced result by about DKr45m
- Overall decline in core earnings before provisions of DKr21m
- Result affected by pension contributions of DKr30m



Banking Activities, Norway

- Income affected by weak capital markets

Core earnings before provisions



■ Measured in DKK

..... Pro forma earnings with same exchange rate as in Q1 2002

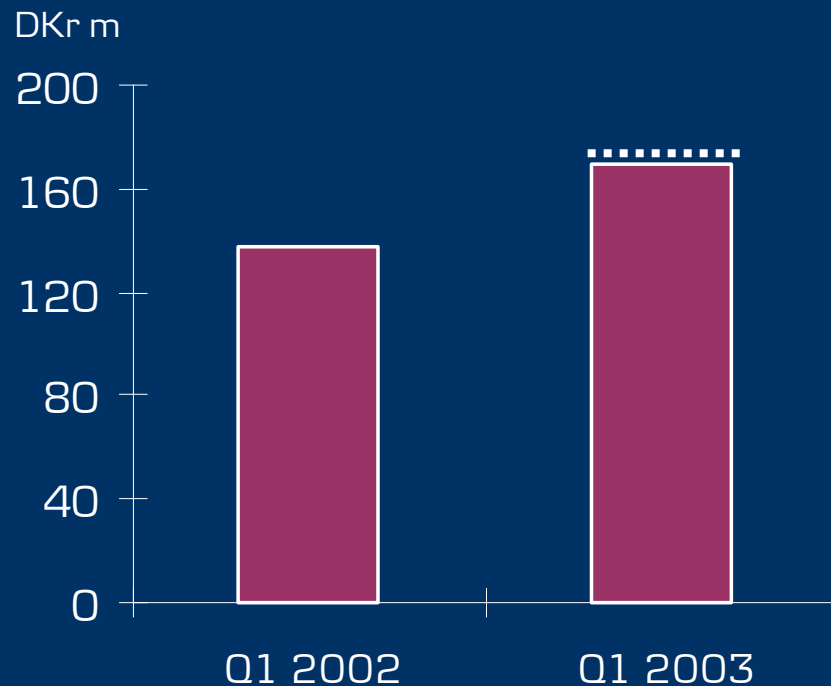
- Core earnings before provisions declined DKr32m
- Lending volume was about 10% higher than at the end of Q1 2002
- Increase in the number of non-shared customers
- Sound development in credit portfolio, whose quality remains satisfactory
- Weak activity in the capital markets



Banking Activities, Sweden

- Growth in business volume

Core earnings before provisions



- Measured in DKK
- Pro forma earnings with same exchange rate as in Q1 2002

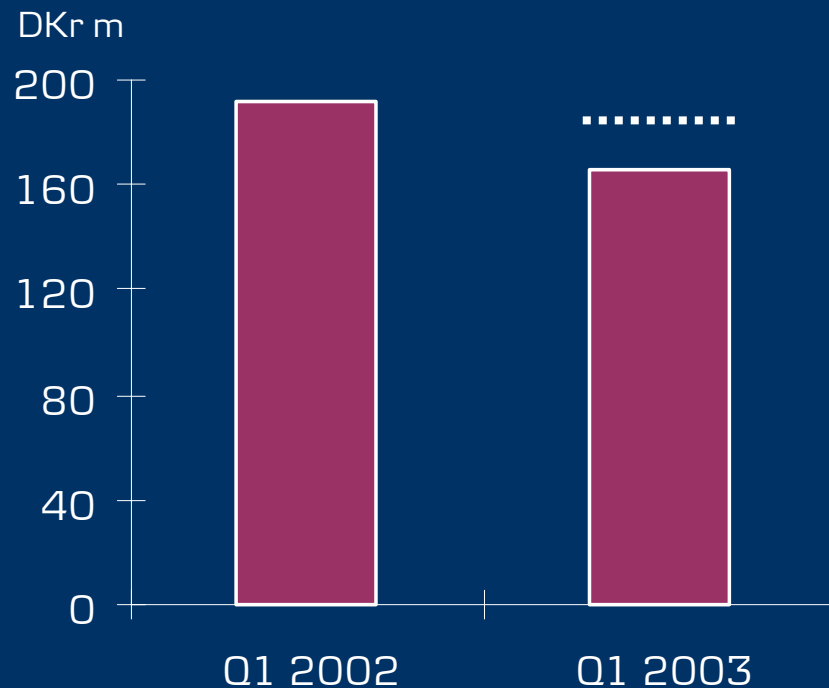
- Core earnings before provisions rose DKr32m
- Core earnings before provisions rose 15% in local currency
- Retail lending volume grew 14%, and corporate lending volume grew 8%
- Costs rose 8% in local currency because of:
 - IT adjustments
 - Pension obligations
 - Increased head count
- Market shares of 7% of loan volume and 4% of deposits



Banking Activities, UK

- Core earnings maintain 2002 level in local currency

Core earnings before provisions



■ Measured in DKK

..... Pro forma earnings with same exchange rate as in Q1 2002

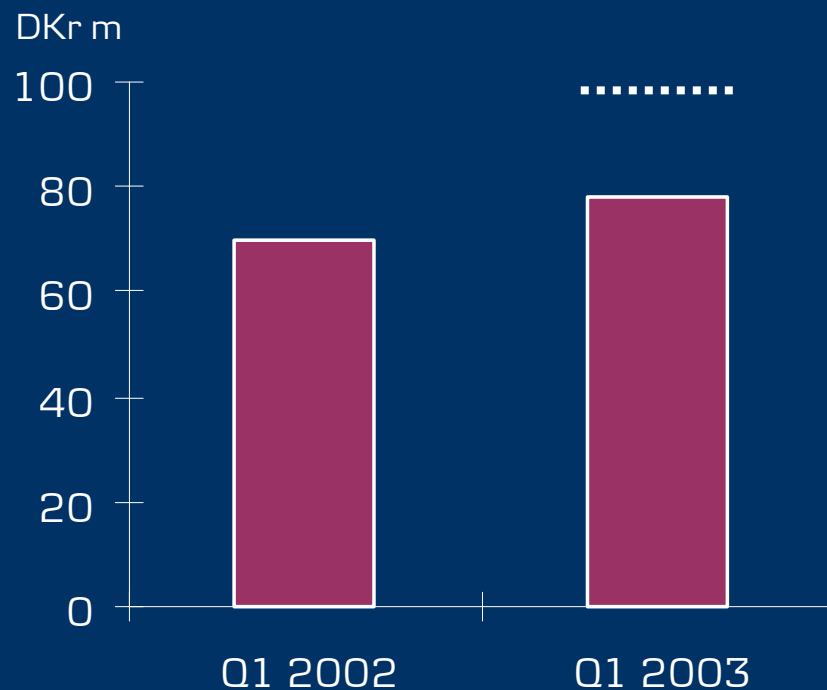
- Core earnings before provisions declined DKK26m to DKK166m (ex. currency translation effects, they were generally in line with Q1 2002 earnings)
- Income rose 18% in local currency
- Costs affected by:
 - Expensed pension obligations of DKK8m
 - Expansion of SME activities at a cost of DKK18m



Banking Activities, USA

- Core earnings rose in local currency

Core earnings before provisions



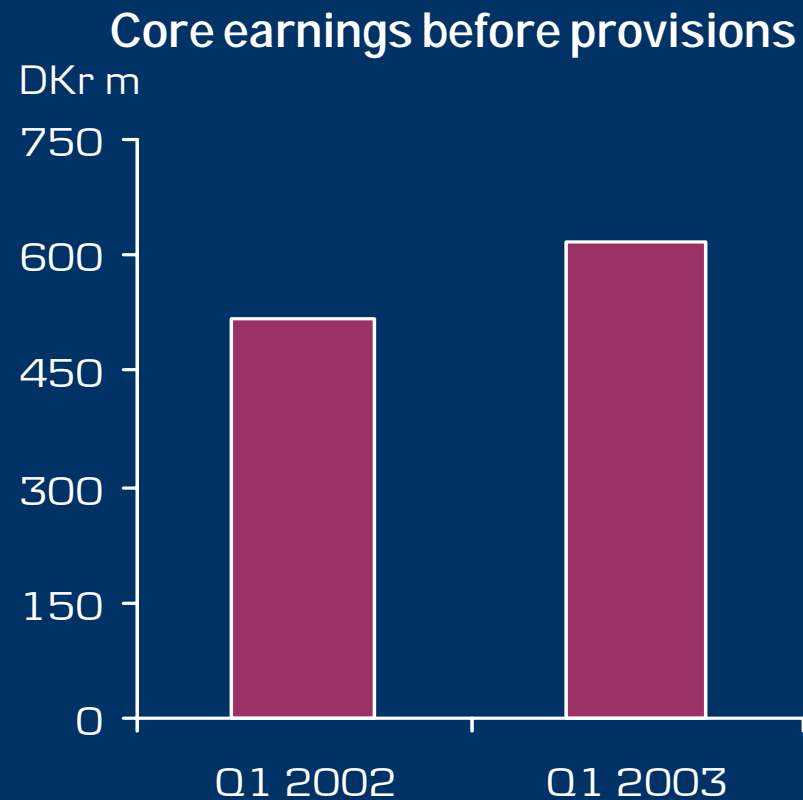
- Measured in DKK
- Pro forma earnings with same exchange rate as in Q1 2002

- Core earnings before provisions rose DKr8m to DKr78m
- In local currency, core earnings before provisions rose some 40%
- Lending activities continue to concentrate on businesses with activities in the Bank's primary markets in northern Europe
- Increasing exposure to global financial institutions led to earnings growth



Mortgage Finance

- Remortgaging activity strong, lending growth continues

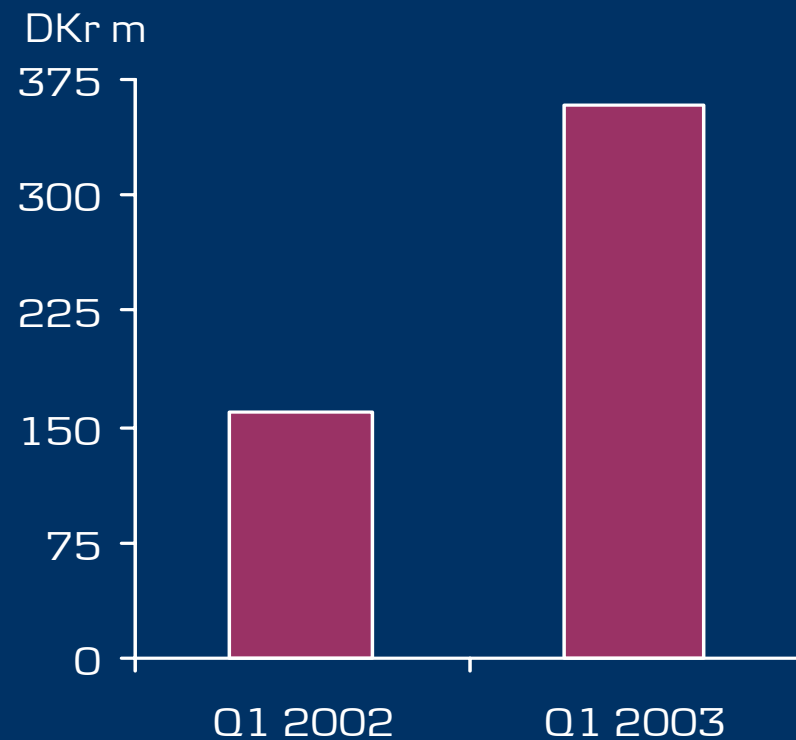


- Rise in core earnings before provisions of 19%
- Growing portfolio of DKr9bn
 - ⇒ Increased administrative fees
- Extensive remortgaging activity
 - ⇒ Rise in fee income
 - ⇒ Rise in interest income
- Costs rose 9%, mainly because of strong remortgaging activity
- Market shares in Q1 2003: gross lending: 30.0%; net new lending: 26.7%

Danske Markets

- Satisfactory trend in core earnings

Core earnings before provisions

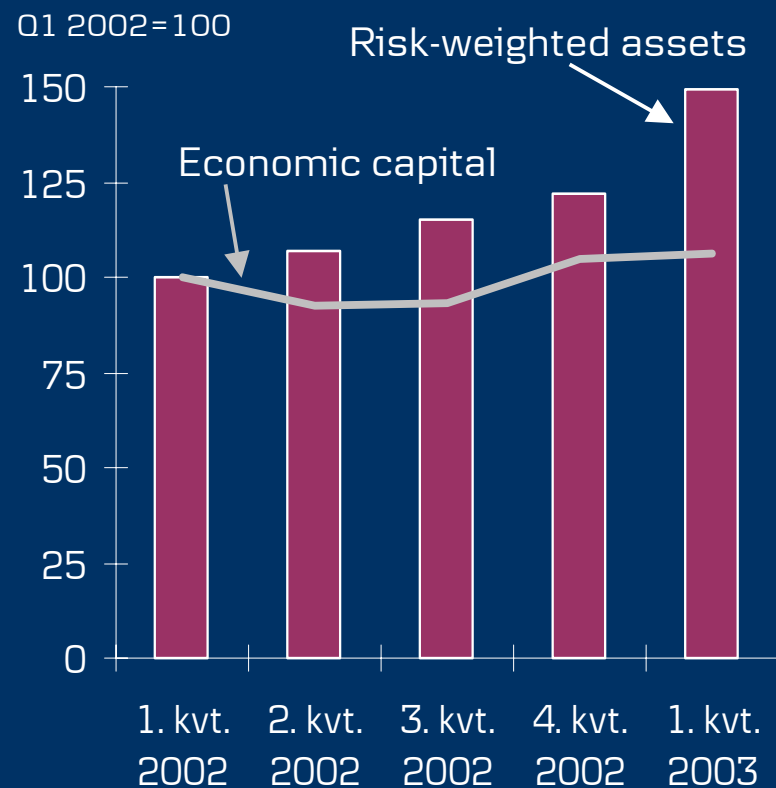


- Core earnings before provisions more than doubled over level in Q1 2002
- 41% growth in core income driven especially by income on fixed-income trading
- Positive result from spread positions in relation to falling European interest rates
- Market position maintained, and increasing customer interest in hedging products

Note: Includes the former Danske Securities.

Danske Markets

- Real risk unchanged despite RWA increase

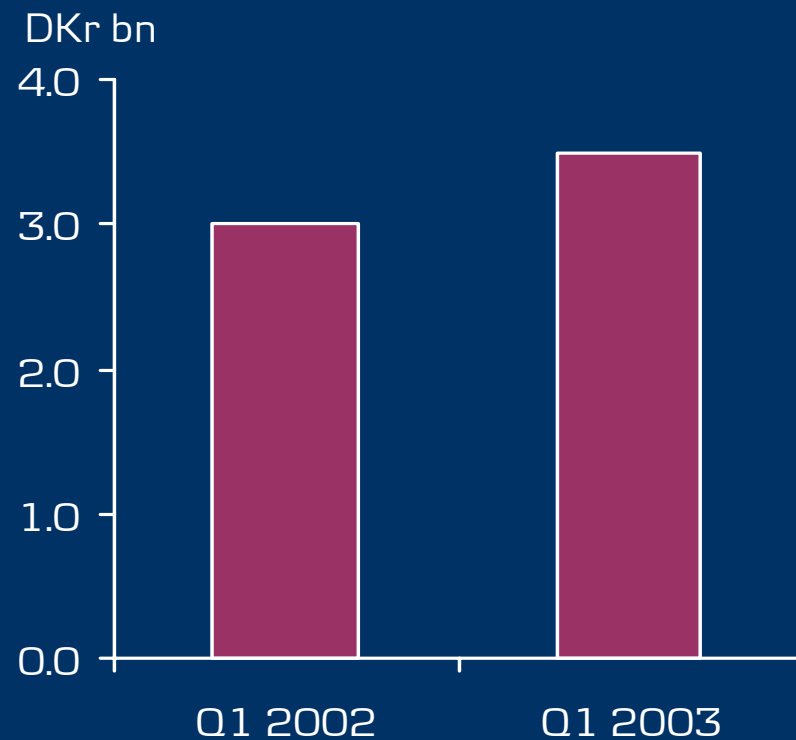


- Positive result from spread positions
- Increase in risk-weighted assets because of regulations regarding calculation method
- Measured on the basis of economic capital, risk has risen 6% since Q1 2002
- Raroc return of 37% compared with 17% in Q1 2002

Danica Pension

- Satisfactory business developments

Gross premiums (incl. unit-linked)



- Gross premiums (incl. unit-linked) rose 15%
- Sales of health insurance continue to grow and over 10% rise in number of customers insured year-to-date
- In the traditional life business the growth was still satisfactory in the corporate segment

Danica Pension

- Earnings improvement but postponement of risk allowance

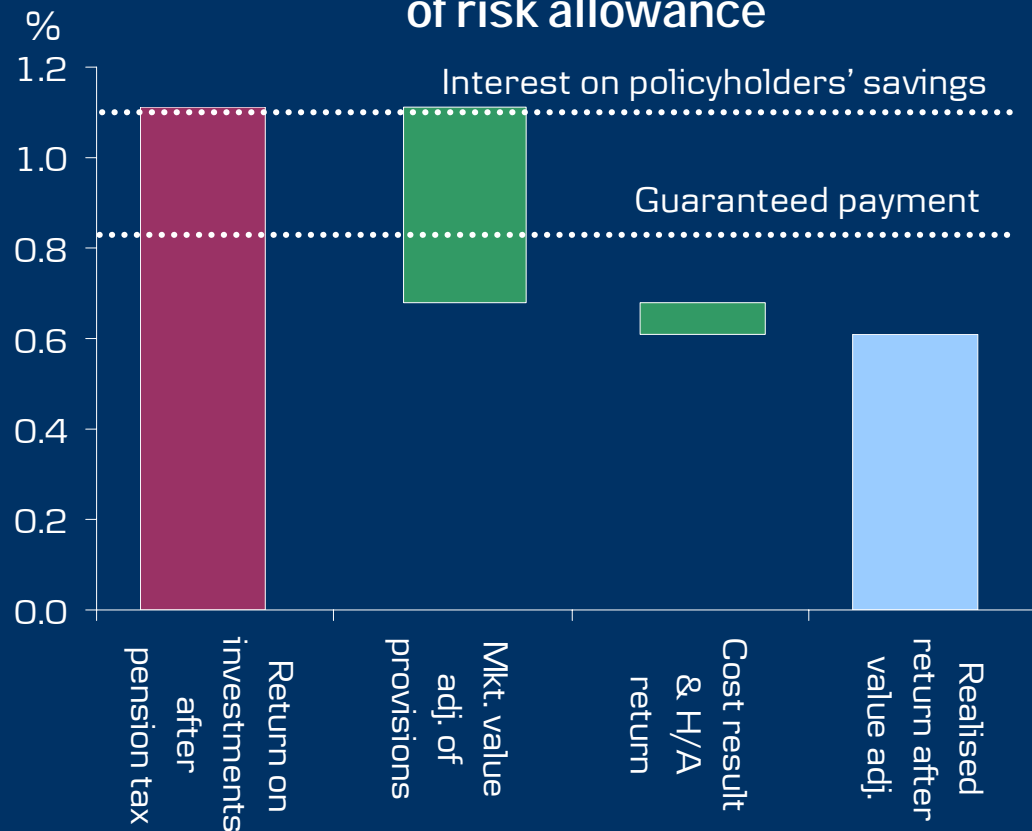
(DKr m)	Q1 2003	Q1 2002
Risk-free return on share. equity	83	99
0.5% of life ins. provisions etc.	182	178
30% of health/accident ins. result	2	-3
30% of risk result	-1	4
30% of cost result	34	30
Unit-linked	10	7
FD (non-life insurance)	7	-14
Core income, insurance activities	317	301
Funding, net	-48	-48
Core earnings, insurance activities	269	253

- Falling interest rate environment affects return on shareholders equity
- Core income of DKr317m in line with estimate
- Asset allocation end-Q1 2003:
 - Equities: 7%
 - Bonds: 84%
 - Property: 9%
- Collective bonus potential of DKr3,9bn can withstand a drop in equity prices of more than 30%

Danica Pension

- Market value adjustments cause deferral of risk allowance

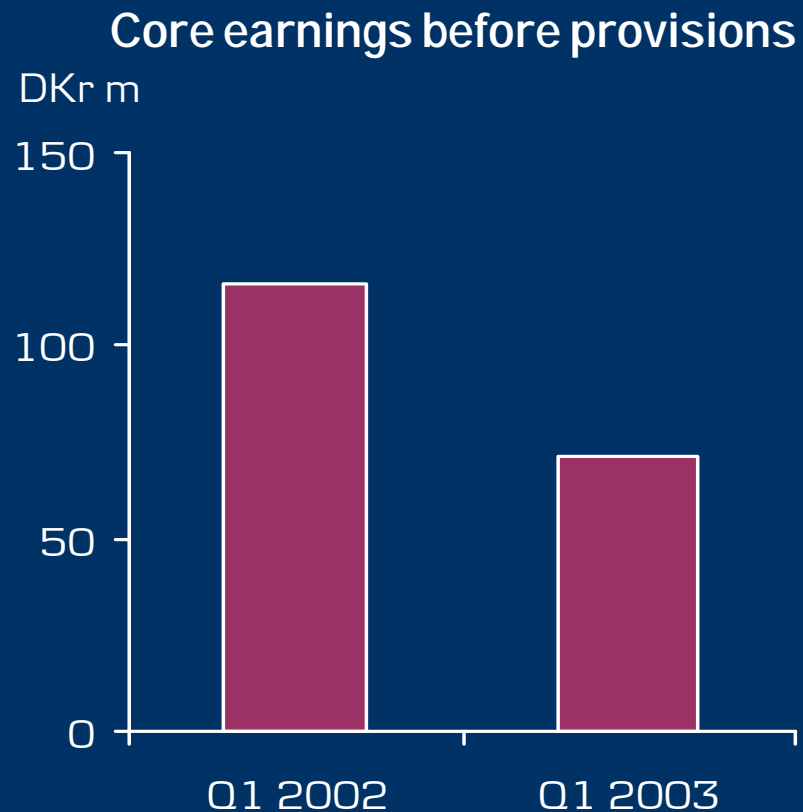
Possibility to allow recognition of risk allowance



- Return on investments of 1.3% before pension tax in the first quarter was not sufficient to allow the recognition of the risk allowance
- Market value adjustments of provisions because of the following decline in the calculation rate:
 - End-2002: 3.81%
 - March 2003: 3.73%

Danske Capital

- Danske Invest ranks No. 5 in Europe (Morningstar)



- Core earnings before provisions declined by almost 39%
- Significant adverse effect on earnings from decline in equity prices and revised asset allocation
- Share of Danish retail unit trust market maintained at 42%
- Market share of net retail inflows at 37%
- Assets under management of DKr348bn at end-Q1 2003

Earnings from investment portfolios

- Earnings improve on decline in interest rates

Earnings from invest. portfolios (DKr m)	Q1 2003	Q1 2002
Fixed-income positions	315	163
Shares		
Unlisted	8	-14
Listed	55	81
Currency positions	33	-3
Costs	41	32
Investment earnings, banking	370	195
Share of return on inv., Danica	76	-100
Risk allowance, Danica	-217	0
Investment earnings, Danica	-141	-100
Total investment earnings	229	95

- Total earnings from investment portfolio rose from DKr95m in Q1 2002 to DKr229m in Q1 2003
- Fixed-income earnings doubled
- Significant drop in returns on shares and currency positions
- Group earnings were reduced by DKr217m because the risk allowance for Danica was postponed



Outlook for remainder of 2003

- Outlook still dominated by weak economic climate

- Danske Bank expects a continuation of weak growth in the global economy and generally low interest rates; the timing and strength of a recovery in the real economy remain uncertain
- Core income in 2003 is expected to stay at generally the same level as in 2002
- Costs are expected to decline in 2003
- The quality of the loan portfolio is satisfactory; but the provisioning ratio could be affected by the economic slump and therefore show an increase over the 2002 level
- Core earnings are expected to be at generally the same level as in 2002 despite the increase in the first quarter
- Investment portfolio earnings for both banking and insurance operations will depend, as in previous years, on the trend in the financial markets
- The Group's tax rate is expected to be 28% of profit before tax

The background is a solid blue color with a faint, blurred, and slightly tilted watermark of the word "DANSKEBANK" in a light blue font. The watermark is positioned diagonally across the frame, starting from the top left and moving towards the bottom right. The letters are thick and stylized, with the 'D' being particularly prominent on the left side.

www.danskebank.com