

To the editor

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Net profit of DKr1.7bn (€0.2bn) for the first half of 2010

Danske Bank today announced its financial results for the first half of 2010. The interim report is available at www.danskebank.com. Highlights are shown below:

- The Danske Bank Group posted a net profit for the period of DKr1.7bn (€0.2bn). Difficult, albeit gradually improving, macroeconomic conditions in several of the Group's markets continued to have an adverse effect on results.
- Income totalled DKr24.1bn (€3.2bn), against DKr32.3bn (€4.3bn) in the same period in 2009. The decline was expected and should be seen in light of the extraordinarily high net trading income in the first half of 2009. The Group's main source of income – its banking activities – showed robust earnings. Activities in Sweden and Norway generated satisfactory results.
- Expenses were down 14% from the year-earlier level. Excluding goodwill impairment charges made in 2009, expenses fell 5%. Expenses included the guarantee commission of DKr1.3bn (€0.2bn) paid to the Danish state under the state guarantee scheme (Bank Package I).
- Loan impairment charges amounted to DKr7.8bn (€1.0bn), continuing their downward trend for the sixth consecutive quarter. Charges showed a declining trend in most of the Group's markets and are approaching normal levels in Finland, Sweden, Norway and the Baltic countries. Charges against facilities to corporate customers amounted to DKr5.7bn (€0.8bn) (with small and medium-sized enterprises accounting for DKr5.0bn (€0.7bn)), charges against facilities to financial counterparties amounted to DKr0.3bn (€40m), and charges against facilities to retail customers amounted to DKr1.8bn (€0.2bn). Bank Package I accounted for DKr0.9bn (€0.1bn) of loan impairment charges.
- At June 30, 2010, the tier 1 capital and solvency ratios were 13.7% and 17.2%, respectively. The Committee of European Banking Supervisors (CEBS) included Danske Bank in the group of 91 European banks covered by the 2010 EU-wide stress testing exercise. Danske Bank was among the top 25% of the banks included in the exercise, which reflects the Group's financial strength.

- The Group has covered its estimated funding need for 2010. The funding need for 2011 is very modest.
- Total lending matched the level at the end of 2009. Retail lending showed a slight increase, while corporate lending remained at the end-2009 level. In Denmark, new lending to corporate and retail customers, excluding repo loans, amounted to DKr13.1bn (€1.8bn) and DKr13.6bn (€1.8bn), respectively.
- In the first half of 2010, Danske Bank issued bonds worth DKr7.3bn (€1.0bn) with maturities of up to five years on the US and other markets. Danske Bank also issued covered bonds with maturities of up to twelve years. Danske Bank has not availed itself of the opportunity to issue state-guaranteed bonds since summer 2009.
- The Group expects the rest of 2010 to be challenging for the financial sector. Macroeconomic conditions are expected to continue to stabilise throughout the year. The recovery is still fragile, though. In view of the general economic climate, loan impairment charges are likely to remain high in 2010, although somewhat lower than in 2009.

“Generally, things are moving in the right direction. Impairment charges have seen a downward trend for six quarters in a row and are down 50% compared with the level in the first half of 2009. In several of the Group’s markets, charges are approaching normal levels. This is the case in Finland, Sweden, Norway and the Baltic countries,” says Peter Straarup, Chairman of the Executive Board. “At the same time, the Group’s banking activities show robust earnings. In view of the macroeconomic development, we look at the rest of 2010 with cautious optimism.”

Danske Bank

Contacts:

Tuesday, August 10, from 11.00am CET

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The interim report for the first half of 2010 will be presented at a **press conference** at 11.00am CET. The press conference will be webcast live at www.danskebank.com, where the presentation material will also be available.

Danske Bank will hold a **conference call** for analysts at 2.30pm CET. The conference call will be webcast live at www.danskebank.com.

Danske Bank’s financial statements are available online at www.danskebank.com/onlinefinancialstatement.