

# Fact Sheet Q3 2004

Supplementary Information for Investors and Analysts

Unaudited



Investor Relations  
Updated: October 2004

Danske Bank

## Fact sheet Q3 2004

This publication is meant as a supplement to the information published in the quarterly interim reports and the annual report. Additional information can be found on [www.danskebank.com](http://www.danskebank.com) and [www.danskebank.dk](http://www.danskebank.dk).

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# Danske Bank Group overview

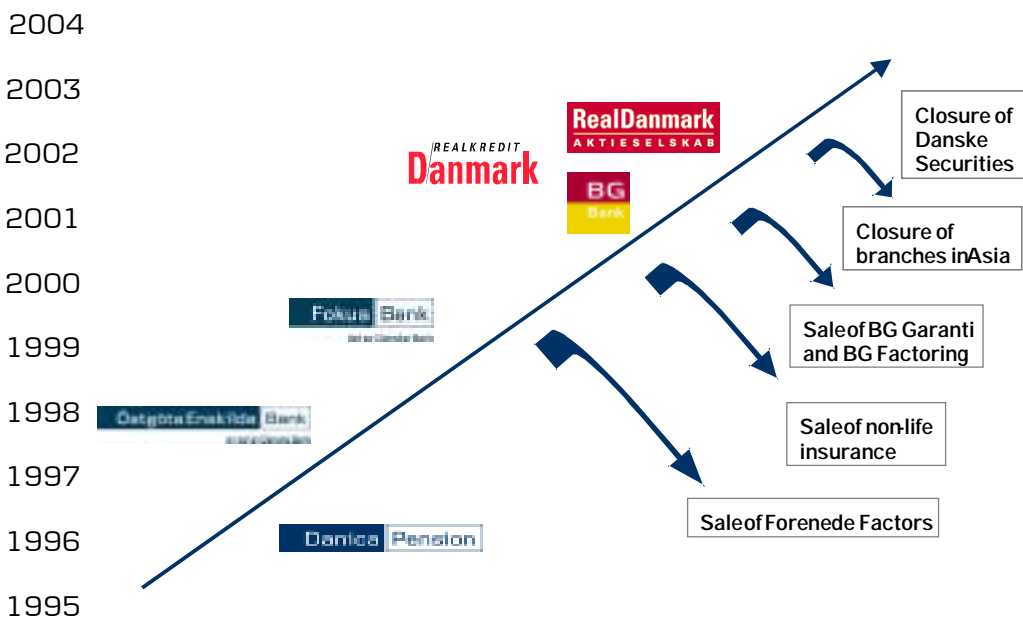


## 1.1. History

Danske Bank A/S was founded in 1871 and has merged with a number of financial institutions through the years. In 1990, it merged with Aktieselskabet Kjøbenhavns Handelsbank, which was founded in 1873, and with Provinsbanken A/S, which dated back to 1846. In the autumn of 2000, RealDanmark A/S, the parent company of Realkredit Danmark A/S, a mortgage credit institution founded in 1851, and BG Bank A/S, a commercial bank that dates back to 1857, became part of the Danske Bank Group.

In recent years, Danske Bank has strengthened its position in the Nordic region by acquisitions. In 1997, it acquired Östgöta Enskilda Bank of Sweden and, in 1999, Fokus Bank of Norway. In the same period Danske Bank has also divested business segments and activities that were not deemed core businesses or did not meet our profitability criteria.

### Recent history of Danske Bank



For further information about the Group's history, see [www.danskebank.dk/ir](http://www.danskebank.dk/ir) or [www.danskebank.com/ir](http://www.danskebank.com/ir).

## 1.2. Executive management

### Executive Board and members of the Executive Committee



Peter Straarup, CEO  
Chairman of the Executive Board  
and the Executive Committee  
Born in 1951  
Hired in 1968  
Education: Graduate Diploma in  
Business Administration



Jakob Brogaard  
Deputy Chairman of the Executive  
Board and member of the Executive  
Committee  
Born in 1947  
Hired in 1964  
Education: Bachelor of Commerce

### Members of the Executive Committee



Jørgen Kleinstrup  
Member of the Executive Committee  
Deputy head of Shared Services  
Centre  
Born in 1953  
Hired in 1972  
Education: Graduate Diploma in  
Business Administration



Sven E. Lystbæk  
Member of the Executive Committee  
Head of Shared Service Centres  
Born in 1951  
Hired in 1983  
Education: Master of Science (econ.)



Henrik Normann  
Member of the Executive Committee  
Head of Danske Markets  
Born in 1953  
Hired in 1983  
Education: Master of Arts



Tonny Thierry Andersen  
Member of the Executive Committee  
Chief Financial Officer  
Born in 1964  
Hired in 1999  
Education: Master of Business  
Administration

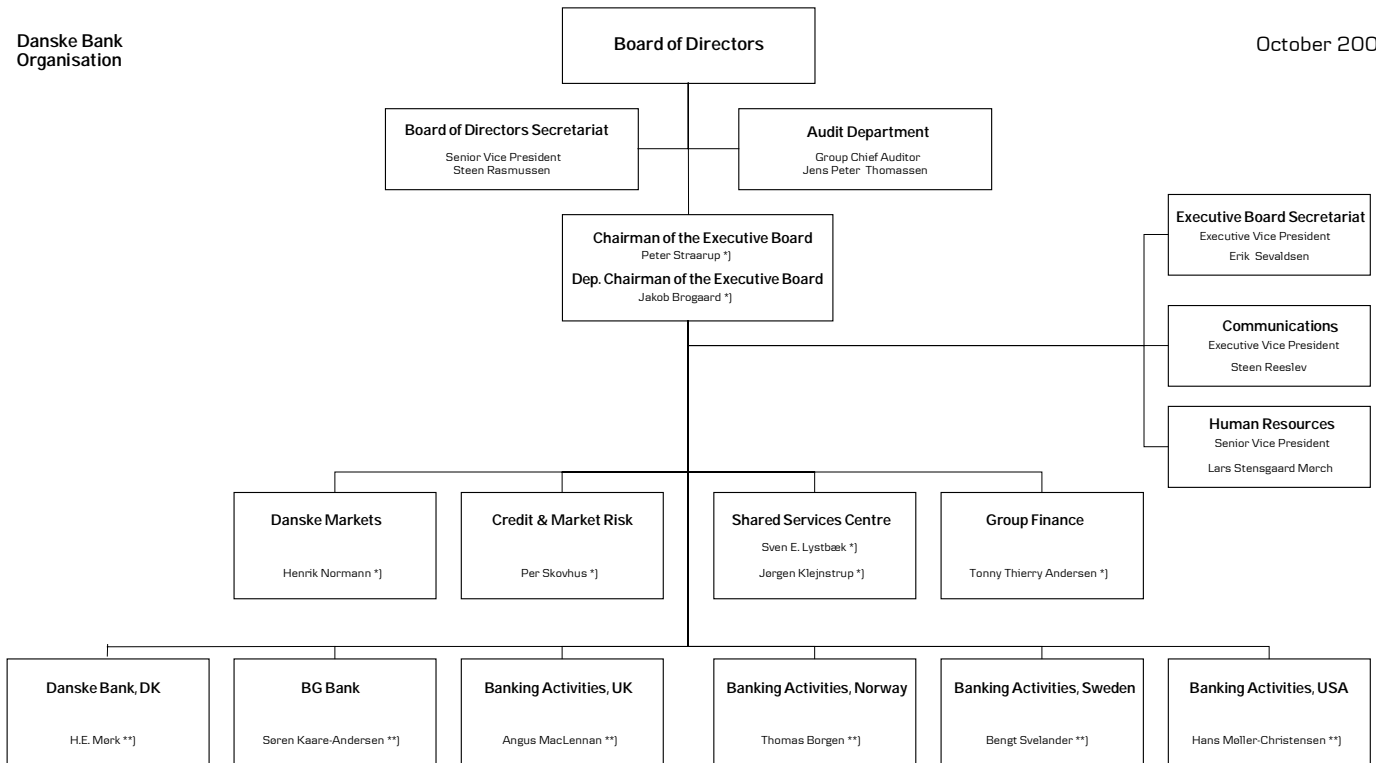


Per Skovhus  
Member of the Executive Committee  
Head of Credit & Market Risk  
Born in 1959  
Hired in 1979  
Education: Master of Laws

For further information on the Executive Board and the Executive committee look at [www.danskebank.com/corporategovernance](http://www.danskebank.com/corporategovernance).

Danske Bank Organisation

October 2004



\*) Member of the Executive Committee    \*\*) Associate Member of the Executive Committee

Selected subsidiaries:

<b>Danica Pension</b> Chairman Peter Straarup*) CEO Henrik Ramlau-Hansen	<b>Danske Private Equity</b> Chairman Henrik Norman*) Managing Director John Danielsen	<b>HandelsFinans</b> Chairman Jakob Brogaard*) Managing Director John Poulsen	<b>home</b> Chairman Sven Holm Managing Director Niels Bjerregaard	<b>Nordania</b> Chairman Jakob Brogaard*) Managing Director Henning Hürdum	<b>Realkredit Danmark</b> Chairman Jakob Brogaard*) CEO Sven Holm	<b>Danske Bank International S.A. Luxembourg</b> Chairman Sven E. Lystbæk*) Managing Director Mogens Holm
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### 1.3. Business profile and vision

The Danske Bank Group provides a wide range of banking, mortgage and insurance products as well as other financial services. It is the largest financial institution in Denmark and one of the largest in the Nordic region, measured by total assets.

The Group serves more than three million retail customers and has a significant share of the corporate and institutional markets in the Nordic region. It also has a large number of corporate clients in other regions, primarily northern Europe. Approximately 800,000 customers use its online services.

#### Financial goals

Danske Bank has four general financial goals:

- a competitive return
- Tier 1 capital ratio of about 7%, including 0.5% hybrid capital
- solvency ratio of about 9.5%
- payout ratio of about 50%

Danske Bank creates value for its shareholders through an increase in its share price and the distribution of dividends. The Bank also enhances shareholder value by optimising its business processes, risk management and capital structure.

#### Core capital

Managing capital well means having enough capital, but not too much. In order to optimise the use of capital, the Group changed its target for the core (tier 1) capital ratio from 6.5% to about 7.0%, with hybrid capital expected to account for about 0.5%. Hybrid capital may be raised in foreign currency, and this will help to protect the core (tier 1) capital ratio against exchange rate fluctuations. This change was announced in the 2003 Annual Report.

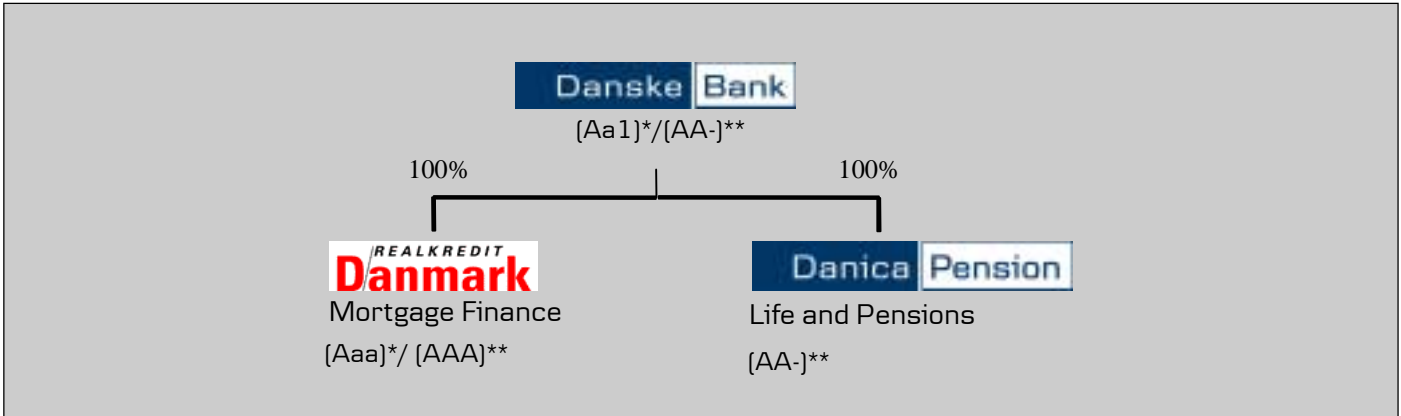
#### Dividends

Danske Bank strives to create value for its shareholders, and one way it does so is by paying dividends. Our target payout is about 50%. In 2003 the dividend was higher than in 2002 because of the sound trend in the return on capital and because capital expenditure on profitable opportunities for expansion in the Group's business areas was modest.

The Group also returns surplus capital to shareholders by share repurchases. At the end of 2003, we had repurchased shares worth a total of Dkr13 billion since the merger with RealDanmark in 2000, including Dkr 5 billion in 2003. In the first nine months of 2004 we repurchased additional shares worth of total of Dkr 3.8 billion. The Group intends to repurchase further shares in the fourth quarter of 2004 worth approx. Dkr 2.2 billion.

## 1.4. Legal structure and ratings

### Legal structure



\*Moody's rating/ \*\*Standard & Poor's rating

### Ratings

The Danske Bank Group has been rated by the three large international credit rating agencies: Moody's, Standard & Poor's and Fitch Ratings.

The agencies each use their own rating scales, on which the highest possible ratings are AAA and Aaa (see the table below). Ratings in the A categories are considered "investment grade", indicating only a marginal risk that the issuer will go default.

### Danske Bank rating overview

	Moody's		Standard & Poor's		Fitch	
	Short term	Long term	Short term	Long term	Short term	Long term
P-1		Aaa	A-1+	AAA	F1+	AAA
P-2		Aa1	A-1	AA+	F1	AA+
P-3		Aa2	A-2	AA	F2	AA
		Aa3	A-3	AA-	F3	AA-
		A1		A+		A+
		A2		A		A
		A3		A-		A-
		Baa1		BBB+		BBB+
		Baa2		BBB		BBB
		Baa3		BBB-		BBB-

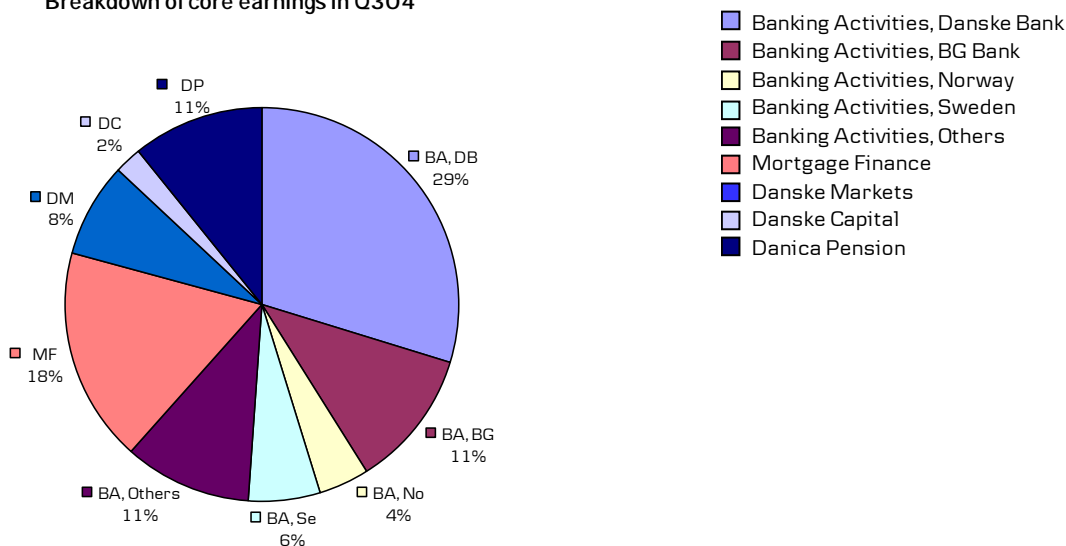
## 1.5 Group structure

### Overview

The Danske Bank Group, which consists of a parent company, Danske Bank A/S, and a number of subsidiaries, offers its customers a wide range of banking, insurance, mortgage finance, asset management, capital markets, investment banking and leasing services. Danske Bank is the largest bank in Denmark in terms of equity, deposits and assets. The Bank Group also ranks among the largest financial institutions in the Nordic countries.

As announced in October 2003, the Group implemented a new organizational structure for Banking Activities, Denmark, effective from January 1, 2004. Banking activities Denmark, which conducts the Bank Group's banking activities in Denmark, was split into two separate banking divisions, Danske Bank Division and BG Bank Division. Each division focuses on its own clients and, to emphasise the distinct brand differences in the new organizational structure, each division has a separate credit organisation. As a result, a number of employees were transferred from Credit & Market Risk to Banking Activities, Denmark, effective January 1, 2004. At the same time, a number of back office functions were transferred from Banking Activities, Denmark to Shared Services Centre. The Group's consumer finance subsidiary, Handelsfinans, and the Group's leasing subsidiary, Nordania Finans, were transferred to the category Banking Activities, other.

Breakdown of core earnings in Q304



### Banking Activities

The Group's Banking Activities business area encompasses the Group's banking business, which is organised in divisions located in each of the countries where the Bank operates. Banking Activities, Denmark, encompasses the Group's Danish banking business with retail and business customers. Banking Activities, Denmark is divided into two business divisions, the Danske Bank division and the BG Bank division. The units carry on business under a number of brand names, including Danske Bank and BG Bank. Banking Activities, International, encompasses banking activities carried out by divisions outside Denmark. Each division is responsible for the Group's banking activities in its home country. Banking Activities, International, conducts business under a number of brand names, including Fokus Bank in Norway and Östgöta Enskilda Bank and Provinsbankerne in Sweden.

### Mortgage Finance

The Mortgage Finance business area has general product responsibility for the Group's mortgage finance activities and real estate agency. The Mortgage Finance business area offers mortgage finance and real estate agency services in Denmark. Realkredit Danmark issues the Group's mortgage loans. The mortgage loans are distributed through the Danske Bank and BG Bank divisions, a number of Realkredit Danmark's district offices, real estate agents and other distribution channels. Mortgage Finance brands its financing solutions with the Realkredit Danmark brand. Real estate agency business is operated through the "home" subsidiary.

In accordance with the Danish Mortgage Credit Act, mortgage loans are match-funded through the issuance of mortgage bonds. For further information please see: <http://www.rd.dk>

Since 1992, Realkredit Danmark has issued mortgage bonds exclusively through the General Capital Center of Realkredit Danmark A/S. These bonds currently represent 80% of all the bonds issued by Realkredit Danmark. Bonds issued from the General Capital Center are rated Aaa by Moody's and AAA by Standard & Poor's, the highest possible ratings and the ratings assigned to Danish government bonds. Bonds issued by the former Danske Kredit, the mortgage credit arm of Danske Bank before the 2001 merger with RealDanmark, also carry an Aaa rating from Moody's Investors Service.

## Danske Markets

Danske Markets is responsible for the Group's foreign-exchange, equity and fixed income trading and serves corporate clients in connection with their issuance of equity and debt. The area is also responsible for the Group's short-term liquidity. It serves the largest corporate and institutional customers as well as the Group's retail banking units. Danske Markets also includes Danske Research and Equity Research, the central units responsible for economic and financial research.

## Danske Capital

Danske Capital manages the funds of retail and institutional clients and the funds of Danica Pension, Firstnordic, Puljeinvest (pooled investment) and Flexinvest. The division also provides advisory services to Danske Invest and BG Invest. Investment management products are sold to retail and business customers through the country organisations and external distributors. Danske Capital serves institutional investors directly.

## Danica Pension

Danica Pension encompasses all the Group's activities in the life insurance and pensions market. The area, marketed under the name of Danica Pension, is run by the Danica Pension Group and Forsikringssselskabet Danica and targets both retail and business customers. Products are marketed through a range of distribution channels within the Danske Bank Group, primarily Banking Activities' outlets and Danica Pension's team of insurance agents and advisers.

## Investment portfolios

Earnings from investment portfolios stem from the Group's own equity, fixed-income and currency positions, including the total portfolio of unlisted shares, which include shares in companies providing the financial infrastructure in Denmark.

## Resource areas

The Internet and other electronic communications (e-finance) form an integral part of the Group's business model and general strategy. The responsibility for the continual development of electronic distribution channels and products rests solely with the business areas, which also bear the associated costs. The IT operations of Danske Bank are governed by an IT facility management agreement with DMdata a/s. Danske Bank and Mærsk Data A/S each own 45% of DMdata a/s. Danske Bank announced in the interim report 2004 that it intends to sell its holding of the shares in DMdata a/s to IBM Danmark A/S before year end.

The Group's general staff functions consist mainly of Credit & Market Risk, Group Finance, Human Resource Development, Communications and Development & Organisation.

Credit & Market Risk is responsible for the administration and management of all credit risks and market risks of the Group. This responsibility includes granting credit, portfolio composition, confirmation of risk limits, internal credit approval, monitoring credits and reporting to the Bank's management.

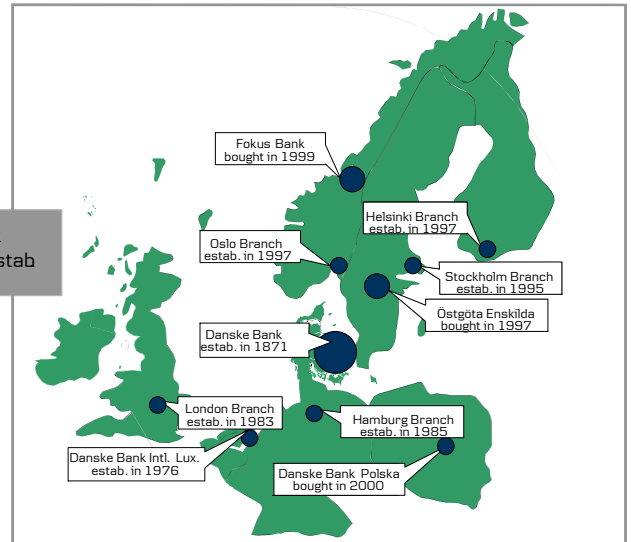
Group Finance is generally responsible for internal and external financial reporting in the Group. This involves collecting, processing and reporting accounting information and co-ordinating relevant data for all risk types. In addition, Group Finance is responsible for capital management, investor relations, rating agencies and tax. A central part of the group strategy is the utilisation of core competencies and open architecture.

## 1.6. Geographical operations

Danske Bank is either directly or indirectly represented in many financial centres around the world, through branches in London, New York and Hamburg as well as in the Nordic capitals Oslo, Stockholm and Helsinki.

A subsidiary provides private banking services in Luxembourg, and a subsidiary in Warsaw covers Nordic corporate customers' banking needs in Poland. The Bank also maintains representative offices in France and Spain.

New York Branch estab in 1984



## Overview of significant country activities

Business activity	Denmark	Sweden	Norway	Finland	UK	USA	Luxembourg	Germany	Poland
Retail banking	X	X	X				X		
Retail banking - SME	X	X	X	X	X			X	X
Corporate banking	X	X	X		X	X		X	
Financial institutions	X	X	X		X	X			
Mortgage finance	X	X	X						
Life & pensions	X	X	X						
FX/Money market	X	X	X		X	X			
Debt market	X	X	X						
Derivatives	X	X	X		X	X			
Securitisation & syndication		X			X				
Cash management	X	X	X	X	X	X	X	X	X
Equity sales	X	X	X		X				
Equity trading	X	X							
Corporate finance	X	X	X			X			
Mutual funds	X	X	X				X		
Asset management	X	X	X	X			X		
Private banking	X	X	X				X		
Leasing	X	X	X						
Consumer finance	X	X							
Real estate brokering	X								

Note: The matrix gives a country overview of business activities performed by the Group. Only significant activities are shown.

## Brands

A central part of Danske Bank's marketing strategy concerns utilising the group's various brands.

Although we operate on a shared IT platform, we believe that targeted branding is necessary in order to appeal to as many customers as possible.

### Overview of brands in Danske Bank

Business activity	Brands
Banking Activities, Danske Bank	
Banking Activities, BG Bank	
Banking Activities, Norway	
Banking Activities, Sweden	
Mortgage Finance	
Pension, Denmark	
Pension, Norway	
Pension, Sweden	
Asset management	
Leasing	
Real estate brokering	

# Financial statistics



## 2.1. Profit and loss account

Profit & Loss (DKr m)						Year to date	Full year
	Q304	Q204	Q104	Q403	Q303	2004	2003
Interest income	12.571	12.324	12.009	12.231	12.394	36.904	51.777
Interest expense	8.710	8.564	8.300	8.355	8.498	25.574	36.184
Net interest income	3.861	3.760	3.709	3.876	3.896	11.330	15.593
Guarantees & other commissions	339	335	350	384	287	1.024	1.271
Securities & custody commissions	496	556	568	424	518	1.620	2.023
Payment services	231	243	237	233	229	711	883
Remortgaging & loan fees	353	406	404	415	438	1.163	1.733
Net fees and commissions	1.419	1.540	1.559	1.456	1.472	4.518	5.910
Trading income	735	645	856	815	642	2.236	3.315
Other core income	203	359	293	231	236	855	1.127
Core insurance earnings	361	191	314	179	274	866	1.004
Total other core income	1.299	1.195	1.463	1.225	1.152	3.957	5.446
Total core income	6.579	6.495	6.731	6.557	6.520	19.805	26.949
Staff expenses	1.958	1.930	1.992	2.137	2.018	5.880	8.235
Severance pay	58	110	70	67	50	238	464
Holiday payments *	2	181	0	0	3	183	168
Bonuses	145	81	208	95	142	434	614
IT expenses	320	321	319	425	355	960	1.460
Other expenses	794	880	794	929	826	2.468	3.365
Staff and administration expenses	3.277	3.503	3.383	3.653	3.394	10.163	14.306
Depreciation, intangibles	13	12	9	5	4	34	12
Depreciation, tangibles	91	109	78	158	95	278	477
Other operating expenses	-1	5	3	14	3	7	25
Total operating expenses and depreciation	3.380	3.629	3.473	3.830	3.496	10.482	14.820
Core earnings before provisions	3.199	2.866	3.258	2.727	3.024	9.323	12.129
Provisions for bad and doubtful debts	-47	131	321	400	315	405	1.662
Core earnings	3.246	2.735	2.937	2.327	2.709	8.918	10.467
Earnings from investment portfolios, banking business	84	59	450	170	182	593	1.493
Earnings from investment portfolios, Danica Pension	41	19	73	940	-5	133	1.076
Profit before tax	3.371	2.813	3.460	3.437	2.886	9.644	13.036
Tax	915	830	1.020	985	855	2.765	3.750
Net profit for the period	2.456	1.983	2.440	2.452	2.031	6.879	9.286
Attributable to minority interests	0	0	0	0	0	0	0

\* In Denmark, second quarter Holiday payment

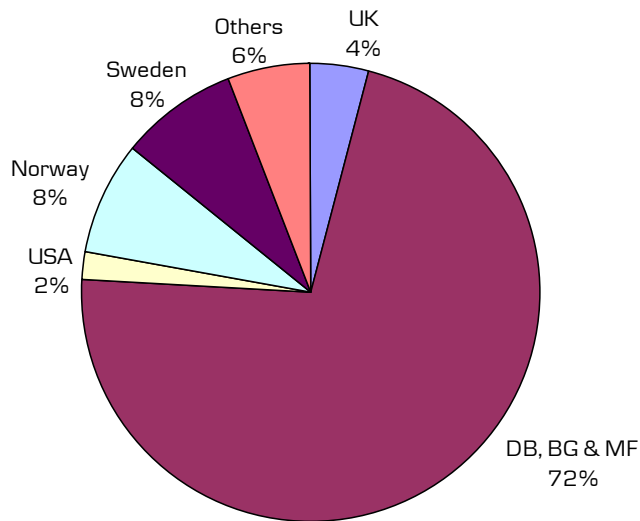
### 2.1.1. Breakdown of profit and loss account

#### Income

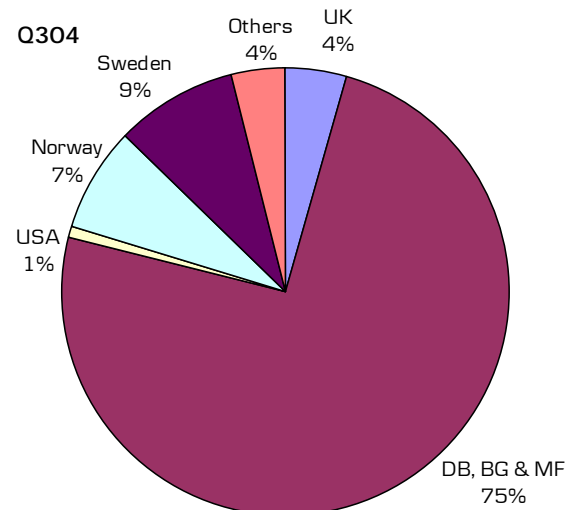
#### Country distribution of net interest income

- UK
- Danske Bank, BG Bank & Mortgage Finance
- USA
- Norway
- Sweden
- Others

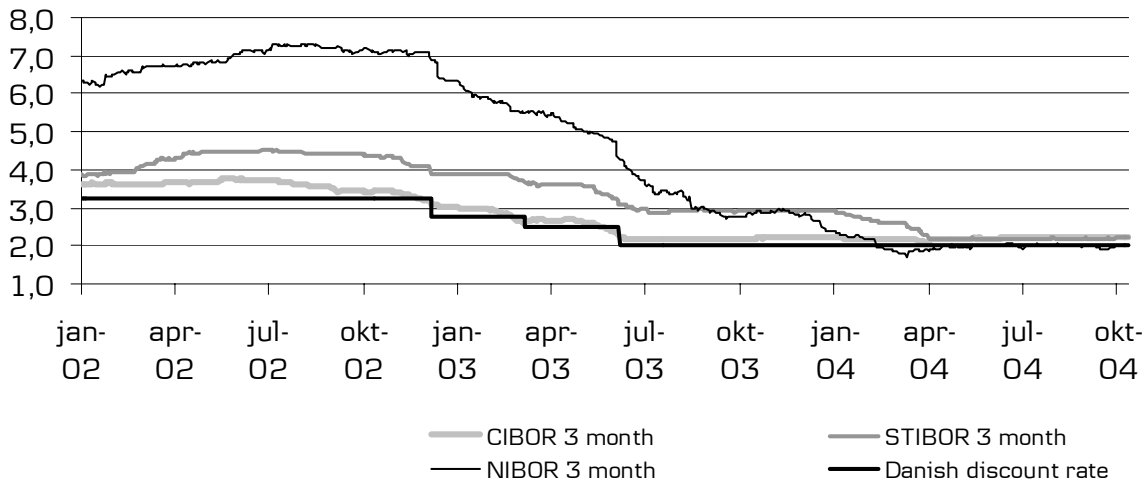
2003



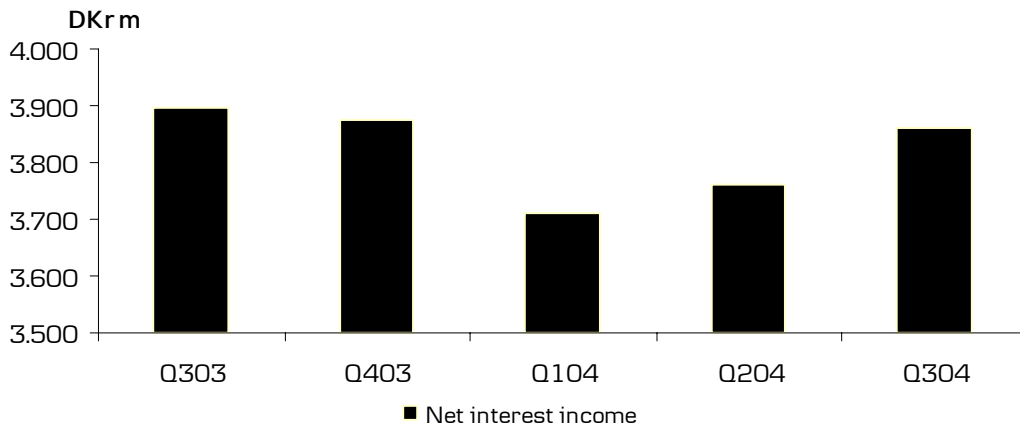
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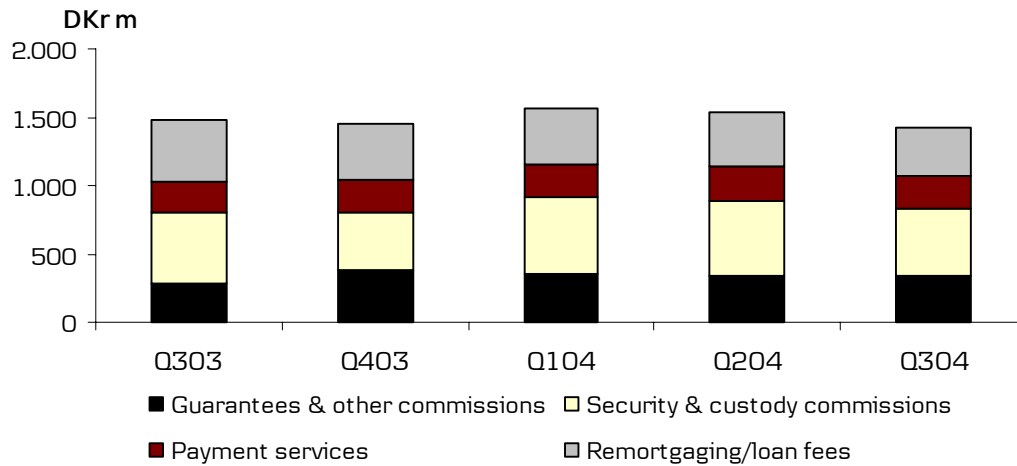
#### Money market rates



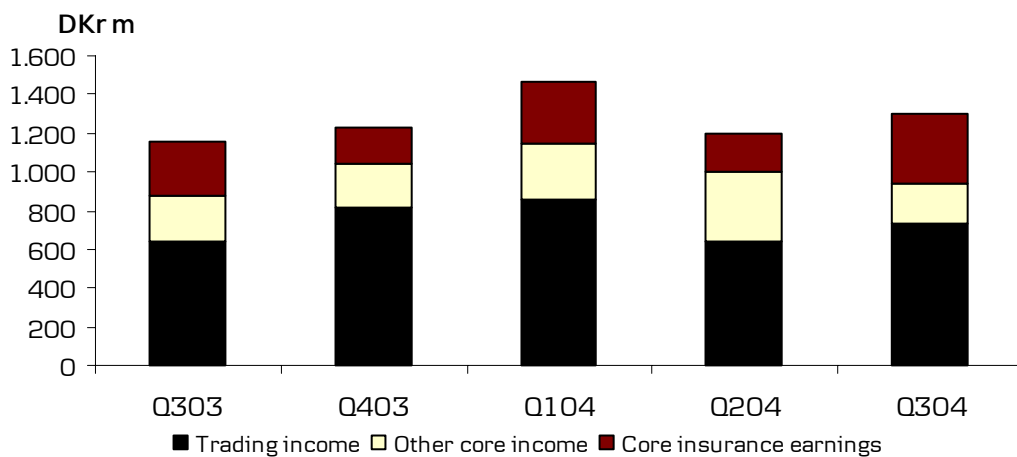
## Net interest income



## Net fees and commissions



## Total other core income



## Expenses

### Total IT expenses

IT expenses (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date	Full year
						2004	2003
Total IT expenses (development and operations)	536	587	592	752	622	1.715	2.647
Total IT expenses/total expenses, %	16	16	17	20	18	16	18
Total IT expenses/core income, %	8	9	9	11	10	9	10

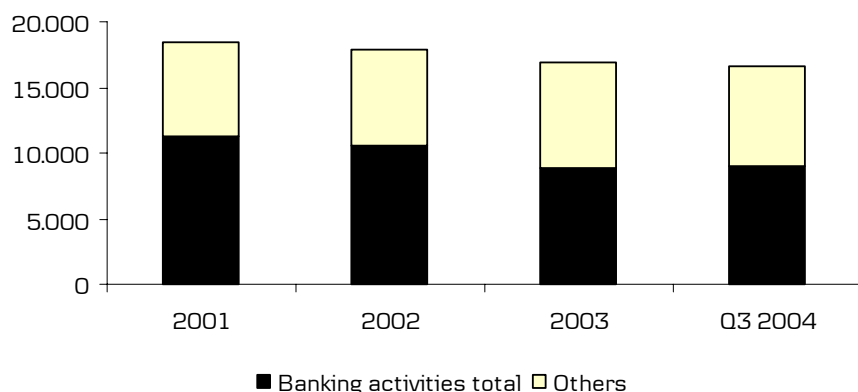
Note: Total IT expenses include costs related to software, hardware, internal IT staff, external IT consultants, rent on premises, depreciation, phone and MIPS etc. Compiled on the basis of Data Monitor; historical figures are restated.

### Full-time employees broken down by business area

FTE - end period	Q304	Q204	Q104	Q403	Q303	End of period	End of year
						2004	2003
Banking Activities, Danske Bank	4.239	4.182	4.196	4.257	4.297	4.239	4.257
Banking Activities, BG Bank	1.835	1.832	1.844	1.869	1.895	1.835	1.869
Banking Activities, Sweden	1.053	1.042	1.031	1.004	998	1.053	1.004
Banking Activities, Norway	992	962	962	983	977	992	983
Banking Activities, UK	41	41	42	60	64	41	60
Banking Activities, USA	55	57	58	10	10	55	10
Banking Activities, Other countries	755	755	752	733	736	755	733
Banking Activities total	8.970	8.871	8.885	8.916	8.977	8.970	8.916
Mortgage Finance	985	998	988	1.002	1.002	985	1.002
Danske Capital	185	189	192	201	207	185	201
Danica Pension	858	820	829	821	824	858	821
Danske Markets	556	533	536	538	536	556	538
Group Treasury	38	36	38	35	37	38	35
Development & Organisation	1.673	1.672	1.686	1.766	1.772	1.673	1.766
Human Resource Development *	542	546	549	580	545	542	580
Credit & Market Risk	190	193	185	185	191	190	185
Group Finance	76	74	72	76	86	76	76
Supplies	410	419	426	447	466	410	447
Other areas	2.186	2.206	2.290	2.368	2.418	2.186	2.368
Group total	16.669	16.557	16.676	16.935	17.061	16.669	16.935

\* Includes persons made redundant (employees with a retirement agreement).

### Total full-time employees



## 2.2. Balance sheet

Balance sheet (DKr bn)						End of period	End of year
	Q304	Q204	Q104	Q403	Q303	2004	2003
<i>Assets</i>							
Cash in hand and demand deposits with CB	9	5	14	10	7	9	10
Due from credit institutions and deposits with CB	202	208	215	166	175	202	166
Bank lending	442	427	410	397	397	442	397
Repo lending	159	146	144	126	124	159	126
Mortgage credit lending	510	508	503	498	489	510	498
Loans and advances	1.111	1.081	1.057	1.021	1.010	1.111	1.021
Own bonds	112	108	119	180	11	112	180
Other listed bonds	303	292	277	279	390	303	279
Other bonds	17	17	19	23	21	17	23
Bonds	432	417	415	482	422	432	482
Shares, etc.	13	14	13	12	10	13	12
Holdings in associated undertakings, etc.	2	2	1	1	1	2	1
Holdings in subsidiary undertakings, etc.	14	14	13	13	13	14	13
Intangible assets	0	0	0	0	0	0	0
Tangible assets	6	6	6	6	6	6	6
Own shares	1	1	1	1	1	1	1
Other assets	123	78	105	113	122	123	113
Prepayments	1	1	2	1	1	1	1
<b>Total assets</b>	<b>1.914</b>	<b>1.827</b>	<b>1.842</b>	<b>1.826</b>	<b>1.768</b>	<b>1.914</b>	<b>1.826</b>
<i>Liabilities</i>							
Due to credit institutions and CB	393	332	364	300	315	393	300
Bank deposits	446	461	448	435	417	446	435
Repo deposits	58	49	50	49	44	58	49
Deposits	504	510	498	484	461	504	484
Mortgage bonds	536	542	526	603	530	536	603
Other bonds	174	193	197	162	163	174	162
Issued bonds	710	735	723	765	693	710	765
Other liabilities	206	148	160	181	199	206	181
Deferred income	1	1	1	1	1	1	1
Provisions for obligations	1	1	1	1	1	1	1
Subordinated debt	36	38	33	34	34	36	34
Minority interest	0	0	0	0	0	0	0
Share capital	7	7	7	7	7	7	7
Share premium account	0	0	0	0	0	0	0
Reserve for own shares	1	1	2	1	1	1	1
Revaluation reserve	0	0	0	0	0	0	0
Brought forward from prior years	48	50	51	47	49	48	47
Appropriated from net profit for the year	7	4	2	5	7	7	5
<b>Total shareholders, equity</b>	<b>63</b>	<b>62</b>	<b>62</b>	<b>60</b>	<b>64</b>	<b>63</b>	<b>60</b>
<b>Total liabilities</b>	<b>1.914</b>	<b>1.827</b>	<b>1.842</b>	<b>1.826</b>	<b>1.768</b>	<b>1.914</b>	<b>1.826</b>
<i>Off-balance-sheet items</i>							
Guarantees, etc.	92	99	92	80	76	92	80
Other commitments	113	111	111	106	105	113	106
<b>Total off-balance-sheet items</b>	<b>205</b>	<b>210</b>	<b>203</b>	<b>186</b>	<b>181</b>	<b>205</b>	<b>186</b>

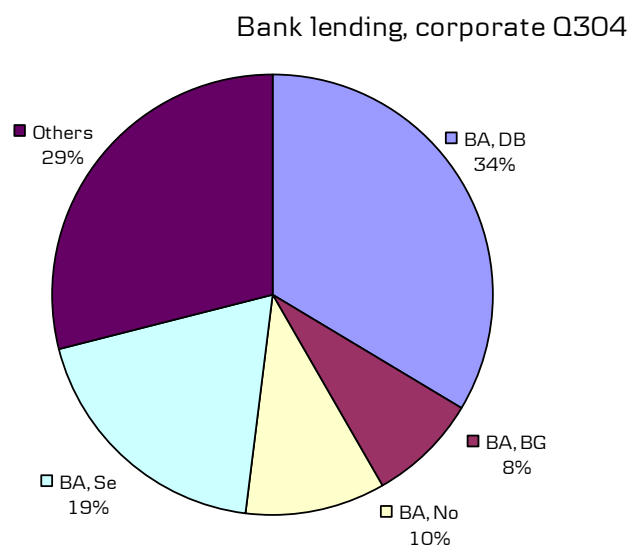
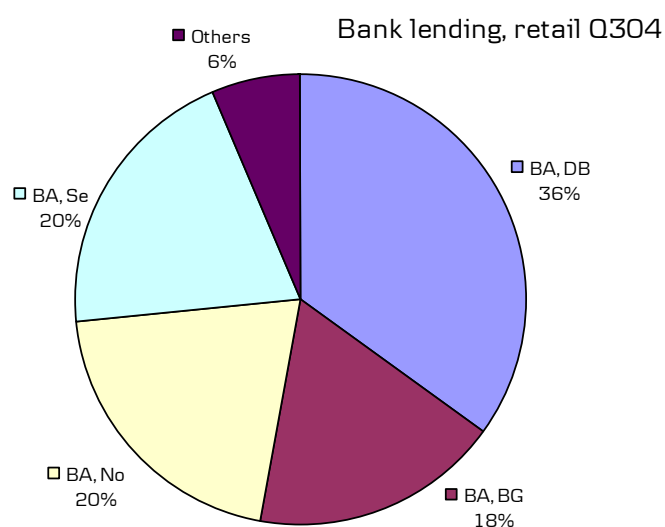
## 2.2.1. Breakdown of balance sheet

### Lending portfolio broken down by segment

Danske Banks' lending portfolio is concentrated in the Nordic region.

Lending portfolio breakdown, end period							End of period	End of year
Volume (DKr bn)	Segment	Q304	Q204	Q104	Q403	Q303	2004	2003
Banking Activities, Danske Bank:	Retail	55	50	45	43	38	55	43
	Corporate	96	102	100	97	99	96	97
Banking Activities, BG Bank:	Retail	28	27	25	24	23	28	24
	Corporate	23	24	23	24	22	23	24
Banking Activities, Norway:	Retail	32	30	28	27	27	32	27
	Corporate	29	26	26	25	28	29	25
Banking Activities, Sweden:	Retail	32	30	27	27	25	32	27
	Corporate	55	53	50	48	49	55	48
Other business segments:	Retail	10	10	9	9	7	10	9
	Corporate	82	75	77	73	79	82	73
Bank lending total (ex. repos)	Retail	157	147	134	130	120	157	130
	Corporate	285	280	276	267	277	285	267
Repos, total	Retail	-	-	-	-	-	-	-
	Corporate	159	146	144	126	124	159	126
Mortgage Credit lending total	Retail	311	311	308	307	303	311	307
	Corporate	199	197	195	191	186	199	191
Lending total:	Retail	468	458	442	437	423	468	437
	Corporate	643	623	615	584	587	643	584
Total lending		1.111	1.081	1.057	1.021	1.010	1.111	1.021

- Banking Activities, Danske Bank
- Banking Activities, BG Bank
- Banking Activities, Norway
- Banking Activities, Sweden
- Other business segments

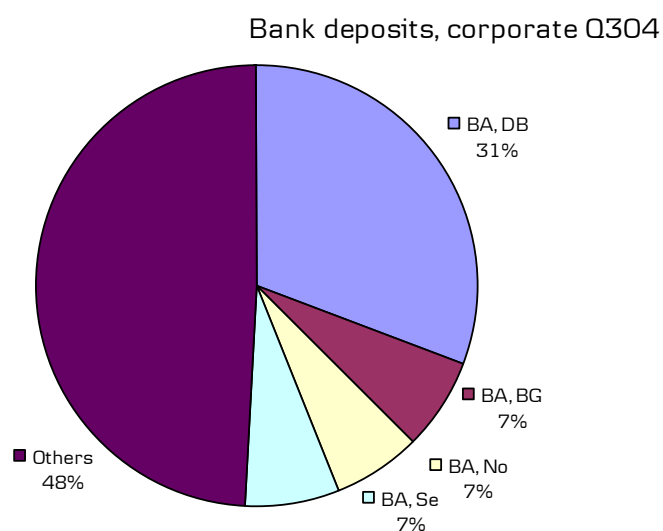
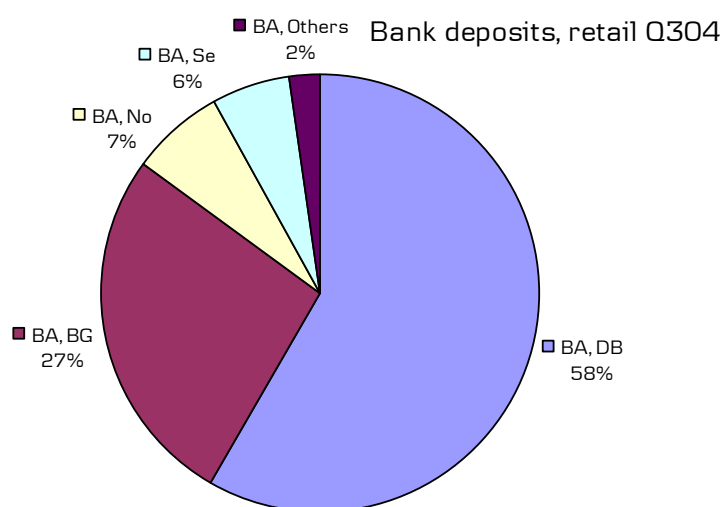


## Deposit portfolio broken down by segment

Danske Bank's deposits portfolio is concentrated in the Nordic region.

Deposit portfolio breakdown, end period							End of period	End of year
Volume (DKr bn)	Segment	Q304	Q204	Q104	Q403	Q303	2004	2003
Banking Activities, Danske Bank:	Retail	101	100	95	96	93	101	96
	Corporate	84	85	84	83	87	84	83
Banking Activities, BG Bank:	Retail	46	46	44	45	44	46	45
	Corporate	18	18	18	18	17	18	18
Banking Activities, Norway:	Retail	12	12	11	10	11	12	10
	Corporate	18	17	17	18	17	18	18
Banking Activities, Sweden:	Retail	10	9	9	9	9	10	9
	Corporate	19	20	17	17	17	19	17
Other business segments:	Retail	4	5	3	3	4	4	3
	Corporate	134	149	150	136	118	134	136
Bank deposits total (ex. repos)	Retail	173	172	162	163	161	173	163
	Corporate	273	289	286	272	256	273	272
Repos, total	Retail	-	-	-	-	-	-	-
	Corporate	58	49	50	49	44	58	49
Deposits total:	Retail	173	172	162	163	161	173	163
	Corporate	331	338	336	321	300	331	321
Total deposits		504	510	498	484	461	504	484

- Banking Activities, Danske Bank
- Banking Activities, BG Bank
- Banking Activities, Norway
- Banking Activities, Sweden
- Other business segments



## Provisions and non performing loans

Provisions and non performing loans (Danske Bank Group)	Q304	Q204	Q104	Q403	Q303	End of period	End of year
						2004	2003
Accumulated provisions (DKr bn end period)*	12,1	12,4	12,6	12,7	12,7	12,1	12,7
Non performing loans (DKr bn end period)	4,40	4,41	4,69	4,00	4,05	4,40	4,00
Loan loss/prov. as % of loans and guarantees p.a.	-0,02%	0,04%	0,11%	0,15%	0,12%	-0,02%	0,15%
Acc. loan loss/prov. as % of loans/guarantees	1,0%	1,0%	1,1%	1,1%	1,2%	1,00%	1,1%
Loan loss coverage ratio p.a.**	274%	281%	269%	318%	314%	274%	318%

\* Provisions against loans, advances and guarantees.

\*\* Accumulated provisions as % of non performing loans.

## Change in accumulated provisions

### Change in accumulated provisions (DKr m)

Accumulated provisions end 2003	12.690
Loan loss provisions	1.983
Reversals of provisions	1.874
Currency effect	27
Earlier provisions now written off	-897
Other inflows and outflows	139
Accumulated provisions, end Q304	12.068

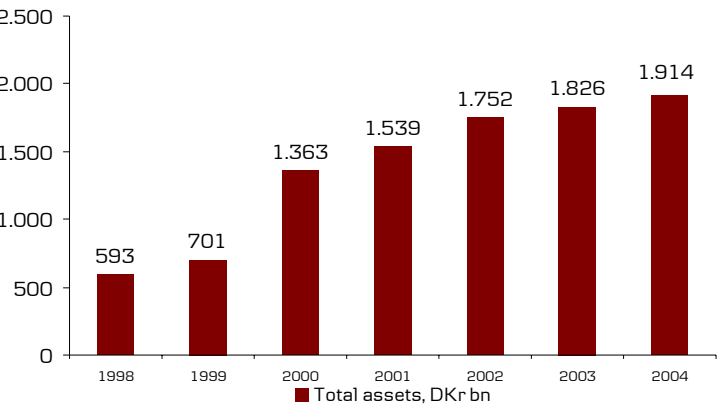
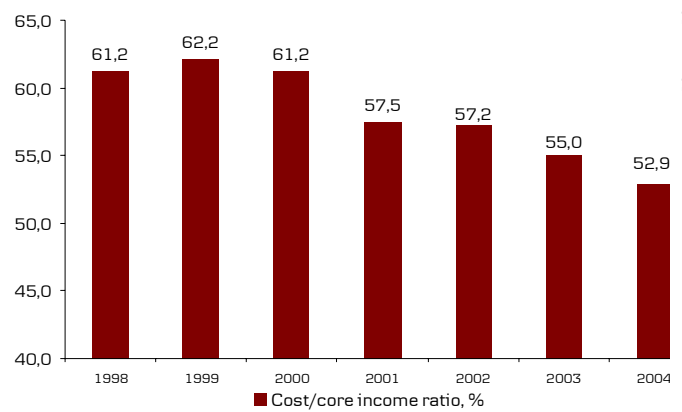
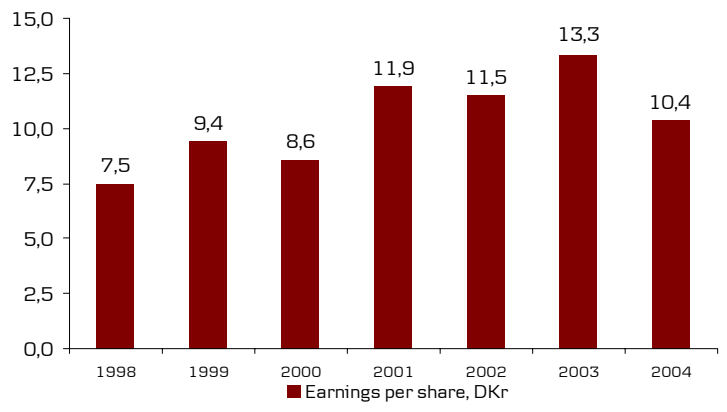
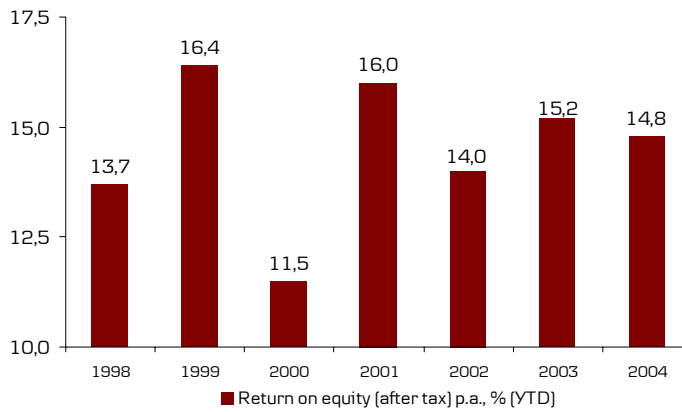
## RAROC by business area

RAROC (%)	Year to date		End of year	
	Q304	Q204	2004	2003
Banking Activities	30,0%	29,5%	34,2%	26,5%
Mortgage Finance	74,7%	67,1%	67,5%	50,0%
Danske Markets	34,6%	22,3%	85,6%	30,0%
Danica Pension	55,3%	23,3%	100,0%	42,0%
Danske Capital	164,1%	187,4%	154,5%	150,0%
Investment portfolios	29,9%	15,7%	58,2%	72,0%
Group total	36,5%	29,9%	35,9%	33,0%

## Key ratios

Key ratios	Q304	Q204	Q104	Q403	Q303	Year to date	End of year
						2004	2003
Return on equity (after tax) p.a., % (YTD)	14,8	14,3	15,9	15,2	14,5	14,8	15,2
Earnings per share, DKr	3,8	3,0	3,6	3,6	2,9	10,4	13,3
Share price, end of period, DKr	157,7	144,8	137,9	138,8	121,7	157,7	138,8
Book value per share, DKr	98,1	95,0	92,9	89,9	93,5	98,1	89,9
Core (tier 1) capital ratio	7,4	7,6	7,1	7,7	7,2	7,4	7,7
Core (tier 1) capital ratio, excluding hybrid capital	6,8	7,0	7,1	7,7	7,2	6,8	7,7
Solvency ratio, %	10,0	10,4	10,3	11,0	10,5	10,0	11,0
Cost/core income ratio, %	51,4	55,9	51,6	58,4	53,6	52,9	55,0

### 2.3. Key indicators



## Business segments and key statistics



## 3.1. Banking Activities

### Business profile

The organisational adjustment announced in October 2003 took effect on January 1, 2004. The adjustment included the division of Banking Activities, Denmark, into a Danske Bank division and a BG Bank division.

Other Banking Activities comprise the Danish banking activities carried out by Nordania and HandelsFinans and the international banking activities carried out in the UK, the USA, Luxembourg, Germany, Poland and Finland.

Banking Activities (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date	Full year
						2004	2003
Net interest income	3,213	3,135	3,058	3,190	3,142	9,406	12,785
Fees and commissions	1,245	1,324	1,353	1,265	1,239	3,922	5,043
Other income	187	271	245	209	235	703	990
Core income	4,645	4,730	4,656	4,664	4,616	14,031	18,818
Staff cost ex bonuses	1,139	1,180	1,098	1,209	1,094	3,417	4,584
Bonuses	49	47	45	37	46	141	164
Other costs	1,422	1,526	1,418	1,599	1,426	4,366	6,038
Total costs	2,610	2,753	2,561	2,845	2,566	7,924	10,786
Core earnings before provisions	2,035	1,977	2,095	1,819	2,050	6,107	8,032
Provisions for bad and doubtful debts	-47	130	319	381	334	402	1,638
Core earnings	2,082	1,847	1,776	1,438	1,716	5,705	6,394
Bank loans and advances (end-period)	446,001	434,517	414,157	401,923	403,475	446,001	401,923
Deposits (end-period)	371,812	379,902	355,120	357,058	352,094	371,812	357,058
Risk-weighted items (avg.)	461,873	445,749	421,113	421,231	427,312	442,981	427,398
Allocated capital (avg.)	30,022	28,974	27,372	27,380	27,775	28,794	27,781
Core earnings as % p.a. of allocated capital	28	25	26	21	25	26	23
Cost/income ratio	56	58	55	61	56	56	57
RAROC	30%	30%	32%	25%	28%	30%	27%
Economic capital (DKr m)	20,424	20,473	20,273	20,409	20,958	20,392	21,476
No. of full-time employees (end-period)	8,970	8,871	8,885	8,916	8,977	8,970	8,916

## 3.1.1. Financial performance, Danske Bank

Banking Activities, Danske Bank, encompasses the banking activities of the Danske Bank division in Denmark. Danske Bank caters to all types of retail and corporate customers. The Bank's finance centres serve large corporate and private banking customers. Corporate and private banking customers with highly complex banking needs are served by the bank's department for Large Corporates and its Private Banking department. Banking Activities, Danske Bank, has 291 branches, 9 finance centres and just over 4,200 employees.

Banking Activities, Danske Bank (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Net interest income	1,430	1,373	1,359	1,414	1,403	4,162	5,670
Fees and commissions	642	690	733	630	663	2,065	2,693
Other income	132	182	152	126	143	466	566
Core income	2,204	2,245	2,244	2,170	2,209	6,693	8,929
Staff cost ex bonuses	524	545	487	534	509	1,556	2,073
Bonuses	21	21	21	16	17	63	68
Other costs	730	789	718	779	709	2,237	3,015
Total costs	1,275	1,355	1,226	1,329	1,235	3,856	5,156
Core earnings before provisions	929	890	1,018	841	974	2,837	3,773
Provisions for bad and doubtful debts	-76	138	222	203	132	284	819
Core earnings	1,005	752	796	638	842	2,553	2,954
Bank loans and advances (end-period)	151,488	151,929	144,973	139,674	137,349	151,488	139,674
Deposits (end-period)	185,089	185,040	179,150	178,553	180,396	185,089	178,553
Risk-weighted items (avg.)	165,948	161,964	149,560	148,766	146,745	159,182	147,319
Allocated capital (avg.)	10,787	10,528	9,721	9,670	9,538	10,347	9,576
Core earnings as % p.a. of allocated capital	37	29	33	26	35	33	31
Cost/income ratio	58	60	55	61	56	58	58
RAROC	27%	26%	31%	25%	29%	28%	27%
Economic capital (DKr m)	10,404	10,146	10,237	9,724	9,894	10,263	10,211
Lending spread (1) (from Tom/next interest rate) (%)	2,49	2,56	2,72	2,83	2,75	2,59	2,73
Deposit spread (2) (from Tom/next interest rate) (%)	0,69	0,69	0,73	0,71	0,73	0,71	0,75
Margin (1+2) (%)	3,18	3,25	3,45	3,54	3,48	3,30	3,48
Market share, loans (%) (end-period) (retail)**	24	23	22	21	20	24	21
Market share, loans (%) (end-period) (corporate)**	22	22	23	22	24	22	22
Market share, loans (%) (end-period) (total)**	22	21	21	21	21	22	21
Market share, deposits (%) (end-period) (retail)**	24	25	24	25	24	24	25
Market share, deposits (%) (end-period) (corporate)**	30	30	33	33	36	30	33
Market share, deposits (%) (end-period) (total)**	25	25	26	26	27	25	26
No. of full-time employees (end-period)	4,239	4,182	4,196	4,257	4,297	4,239	4,257
No. of branches (end-period)	291	291	292	292	293	291	292
No. of customers (m) (end-period)	1,6	1,6	1,6	1,6	1,6	1,6	1,6
Customer packages (000s) (end-period)***	338	317	294	269	236	338	269
No. of netbank customers (000s) (end-period)	502	489	455	438	*370	502	438

\* The number has decreased, due to the removal of inactive Internet customers.

\*\* Based on sector numbers published by the Central Bank of Denmark (Danmarks Nationalbank).

\*\*\* Customer packages are bundled products. Products in a customer package include: Visa card, American Express, Mastercard, competitive interest on loans and deposits and Internet banking.

Marketshares are based on august figures.

## 3.1.2. Financial performance, BG Bank



Banking Activities, BG Bank, encompasses the banking activities of the BG Bank division in Denmark. BG Bank serves all types of retail customers and most corporate customers through its branch network. In addition, BG Bank serves a number of agricultural customers at special agricultural centres. Banking Activities, BG Bank, has 173 branches and just over 1,800 employees.

Banking Activities, BG Bank (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Net interest income	656	658	641	631	631	1.955	2.571
Fees and commissions	272	296	314	303	300	882	1.194
Other income	36	36	32	32	24	104	135
Core income	964	990	987	966	955	2.941	3.900
Staff cost ex bonuses	198	237	212	229	222	647	906
Bonuses	9	8	10	3	7	27	24
Other costs	386	396	366	426	373	1.148	1.587
Total costs	593	641	588	658	602	1.822	2.517
Core earnings before provisions	371	349	399	308	353	1.119	1.383
Provisions for bad and doubtful debts	-8	20	-23	84	50	-11	175
Core earnings	379	329	422	224	303	1.130	1.208
Bank loans and advances (end-period)	51.232	50.889	48.138	47.543	45.373	51.232	47.543
Deposits (end-period)	64.358	64.297	62.258	62.577	60.856	64.358	62.577
Risk-weighted items (avg.)	55.786	53.056	51.874	50.749	50.656	53.580	50.336
Allocated capital (avg.)	3.626	3.449	3.372	3.299	3.293	3.483	3.272
Core earnings as % p.a. of allocated capital	42	38	50	27	37	43	37
Cost/income ratio	62	65	60	68	63	62	65
RAROC	42%	40%	46%	32%	28%	43%	30%
Economic capital (DKr m)	2.936	2.973	2.960	3.067	3.692	2.956	3.560
Lending spread (1) (from Tom/next interest rate) (%)	3,37	3,46	3,53	3,56	3,61	3,45	3,59
Deposit spread (2) (from Tom/next interest rate) (%)	0,90	0,92	0,95	0,95	0,96	0,92	1,01
Margin (1+2) (%)	4,27	4,38	4,48	4,51	4,57	4,37	4,60
Market share, loans (%) (end-period) (retail)**	12	12	12	12	12	12	12
Market share, loans (%) (end-period) (corporate)**	5	5	5	5	5	5	5
Market share, loans (%) (end-period) (total)**	7	7	7	7	7	7	7
Market share, deposits (%) (end-period) (retail)**	11	11	11	11	11	11	11
Market share, deposits (%) (end-period) (corporate)**	5	5	5	5	5	5	5
Market share, deposits (%) (end-period) (total)**	8	8	8	9	9	8	9
No. of full-time employees (end-period)	1.835	1.832	1.844	1.869	1.895	1.835	1.869
No. of branches (end-period)	173	173	173	173	174	173	173
No. of customers (m) (end-period)	0,9	0,9	0,9	0,9	0,9	0,9	0,9
Customer packages (000s) (end-period)***	230	225	220	214	208	230	214
No. of netbank customers (000s) (end-period)	219	219	201	196	*166	219	196

\* The number has decreased, due to the removal of inactive Internet customers.

\*\* Based on sector numbers published by the Central Bank of Denmark (Danmarks Nationalbank)

\*\*\* Customer packages are bundled products. Products in a customer package can be: Visa card, American Express, Mastercard, competitive interest on loans and deposits and Internet banking. Marketshares are based on august figures.

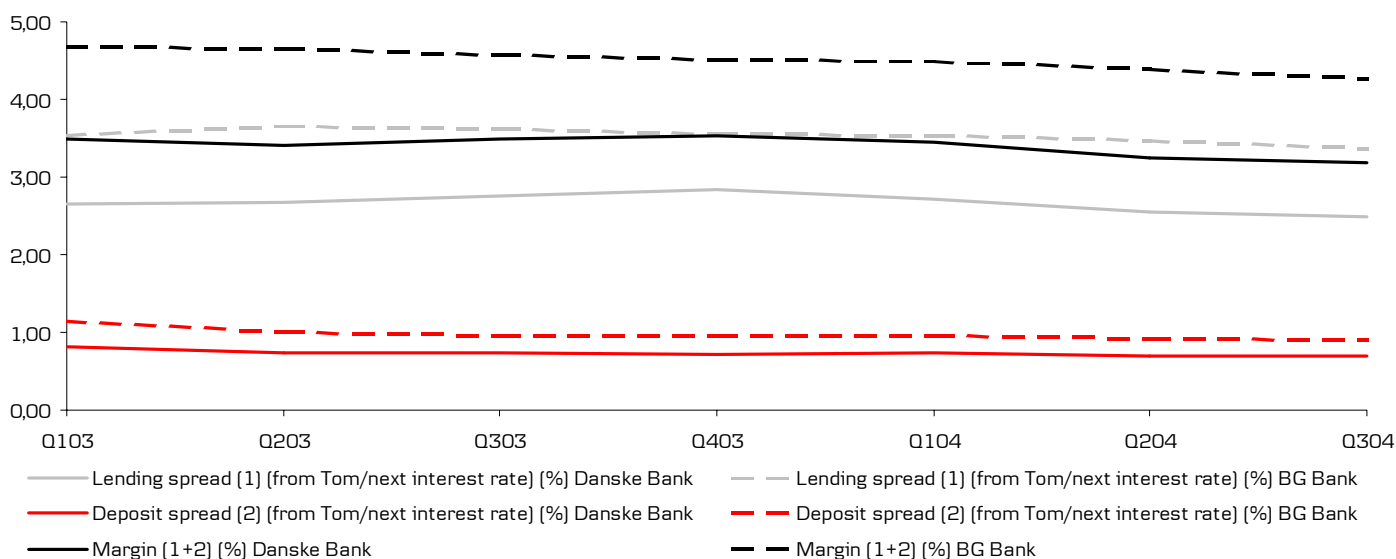
## Net interest income in Banking Activities, Danske Bank and BG Bank (YOY)

Historical net interest income in Banking Activities, Danske Bank and BG Bank (DKr m)			
	Q303	Change	Q304
Net interest income in Q303	2.034		
Loan volume		160	
Loan margins		-127	
Deposit volume		20	
Deposit margins		-27	
Other		26	
Net interest income in Q304			2.086

## Interest income margins, Banking Activities, Danske Bank and BG Bank

Interest income margins in Banking Activities, Danske Bank						Avg. period	Avg. year
	Q304	Q204	Q104	Q403	Q303	2004	2003
Lending spread (1) (from Tom/next interest rate) (%)	2,49	2,56	2,72	2,83	2,75	2,59	2,73
Deposit spread (2) (from Tom/next interest rate) (%)	0,69	0,69	0,73	0,71	0,73	0,71	0,75
Margin (1+2) (%)	3,18	3,25	3,45	3,54	3,48	3,30	3,48

Interest income margins in Banking Activities, BG Bank						Avg. period	Avg. year
	Q304	Q204	Q104	Q403	Q303	2004	2003
Lending spread (1) (from Tom/next interest rate) (%)	3,37	3,46	3,53	3,56	3,61	3,45	3,59
Deposit spread (2) (from Tom/next interest rate) (%)	0,90	0,92	0,95	0,95	0,96	0,92	1,01
Margin (1+2) (%)	4,27	4,38	4,48	4,51	4,57	4,37	4,60



## 3.1.3. Financial performance, Norway



Banking Activities, Norway, encompasses the banking activities of Fokus Bank in Norway. Banking Activities, Norway, has 67 branches and about 1,000 employees.

Banking Activities, Norway (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date	Full year
						2004	2003
Net interest income	287	282	264	289	325	833	1,270
Fees and commissions	67	63	58	68	73	188	257
Other income	18	11	14	11	16	43	66
Core income	372	356	336	368	414	1,064	1,593
Staff costs ex bonuses	117	118	120	150	107	355	521
Bonuses	5	5	1	7	4	11	15
Other costs	126	132	134	127	133	392	547
Total costs	248	255	255	284	244	758	1,083
Core earnings before provisions	124	101	81	84	170	306	510
Provisions for bad and doubtful debts	-15	-9	13	19	43	-11	136
Core earnings	139	110	68	65	127	317	374
Core earnings in local currency	153	125	78	82	139	356	425
Bank loans and advances (end-period)	61,157	56,452	54,415	52,632	55,196	61,157	52,632
Deposits (end-period)	29,610	28,706	27,961	28,424	28,299	29,610	28,424
Risk-weighted items (avg.)	48,843	46,936	44,674	45,334	47,513	46,825	47,389
Allocated capital (avg.)	3,175	3,051	2,904	2,947	3,088	3,044	3,080
Core earnings as % p.a. of allocated capital	18	14	9	9	16	14	12
Cost/income ratio	67	72	76	77	59	71	68
RAROC	26%	19%	15%	12%	35%	20%	20%
Economic capital (DKr m)	1,442	1,487	1,437	1,573	1,454	1,455	1,533
Market share (deposits and lending) (%) (end-period)	5	4	4	4	4	5	4
No. of branches (end-period)	67	64	63	63	63	67	63
No. of customers (000s) (end-period)	237	236	230	230	230	237	230
No. of netbank customers (000s) (end-period)*	53	53	51	48	41	53	48
No. of full-time employees (end-period)	992	962	962	983	977	992	983

\* Consist only of active Internet customers.

## 3.1.4. Financial performance, Sweden

Östgöta Enskilda Bank

en del av Danske Bank

Banking Activities, Sweden, encompasses the banking activities of Östgöta Enskilda Bank and Provinsbankerne in Sweden. Banking Activities, Sweden, has 47 branches and about 1,000 employees.

Banking Activities, Sweden (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date	Full year
						2004	2003
Net interest income	345	340	334	368	321	1.019	1.340
Fees and commissions	102	111	100	88	87	313	320
Other income	16	15	12	18	26	43	74
Core income	463	466	446	474	434	1.375	1.734
Staff costs ex bonuses	146	145	152	149	133	443	556
Bonuses	3	2	3	4	4	8	9
Other costs	125	132	132	140	113	389	497
Total costs	274	279	287	293	250	840	1.062
Core earnings before provisions	189	187	159	181	184	535	672
Provisions for bad and doubtful debts	-9	-15	3	32	-34	-21	111
Core earnings	198	202	156	149	218	556	561
Core earnings in local currency	239	246	194	187	256	679	684
Bank loans and advances (end-period)	86.677	82.617	77.408	75.262	73.724	86.677	75.262
Deposits (end-period)	28.664	28.622	26.377	26.131	26.161	28.664	26.131
Risk-weighted items (avg.)	70.382	67.565	64.509	62.380	63.023	67.496	62.173
Allocated capital (avg.)	4.575	4.392	4.193	4.055	4.096	4.387	4.041
Core earnings as % p.a. of allocated capital	17	18	15	15	21	17	14
Cost/income ratio	59	60	64	62	58	61	61
RAROC	32%	29%	23%	25%	23%	28%	20%
Economic capital (DKr m)	1.903	2.016	1.981	1.914	1.906	1.966	1.988
Market share (lending) (total market incl. property finance) (%) (end-period)	4	4	4	4	4	4	4
Market share (lending) (bank market only) (%) (end-period)	9	9	8	8	8	9	8
Market share (retail deposits) (%) (end-period)	4	4	4	4	3	4	4
No. of branches (end-period)	47	46	46	44	45	47	44
No. of customers (000s) (end-period)	180	180	180	180	180	180	180
No. of netbank customers (000s) (end-period)*	62	60	58	57	56	62	57
No. of full-time employees (end-period)	1.053	1.042	1.031	1.004	998	1.053	1.004

\*Consist only of active Internet customers.

## 3.1.5. Other Banking Activities (incl. UK and USA)

Other Banking Activities comprises the Danish banking activities of Nordania and HandelsFinans and banking activities carried out in the UK, the USA, Luxembourg, Germany, Poland and Finland.

Other Banking Activities (incl. UK and USA) (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Net interest income	495	482	460	488	462	1.437	1.934
Fees and commissions	162	164	148	176	116	474	579
Other income	-15	27	35	22	26	47	149
Core income	642	673	643	686	604	1.958	2.662
Staff costs ex bonuses	154	135	127	147	123	416	528
Bonuses	11	11	10	7	14	32	48
Other costs	55	77	68	127	98	200	392
Total costs	220	223	205	281	235	648	968
Core earnings before provisions	422	450	438	405	369	1.310	1.694
Provisions for bad and doubtful debts	61	-4	104	43	143	161	397
Core earnings	361	454	334	362	226	1.149	1.297
Bank loans and advances (end-period)	95.447	92.630	89.223	86.812	91.833	95.447	86.812
Deposits (end-period)	64.091	73.237	59.374	61.373	56.382	64.091	61.373
Risk-weighted items (avg.)	120.915	116.228	110.496	114.001	119.374	115.898	120.181
Allocated capital (avg.)	7.859	7.555	7.182	7.410	7.759	7.533	7.812
Core earnings as % p.a. of allocated capital	18	24	19	20	12	20	17
Cost/income ratio	34	33	32	41	39	33	36
RAROC	30%	34%	35%	25%	31%	33%	30%
Economic capital (DKr m)	3.739	3.851	3.657	3.936	3.729	3.751	3.957
No. of full-time employees (end-period)	851	853	852	803	810	851	803

Core earnings (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Banking Activities, UK	188	215	105	198	5	508	387
Banking Activities, USA	-20	49	47	-56	67	76	196
Nordania	73	57	87	54	78	217	270
HandelsFinans	19	21	14	15	16	54	79
Others	101	112	81	151	60	294	365
Other Banking Activities	361	454	334	362	226	1.149	1.297

## 3.2. Mortgage Finance



### Business profile

Mortgage Finance encompasses the Danske Bank Group's mortgage finance and real-estate agency business in Denmark. The division markets its financing solutions through Realkredit Danmark, Danske Bank, BG Bank and "home". Real-estate agency business is carried out through "home".

### Financial performance

Mortgage finance (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date	Full year
						2004	2003
Net interest income	784	756	751	788	851	2.291	3.226
Fees and commissions	7	34	33	47	28	74	186
Other income	83	80	67	61	-24	230	128
Core income	874	870	851	896	855	2.595	3.540
Staff costs ex bonuses	142	152	139	145	136	433	584
Bonuses	3	2	4	4	3	9	13
Other costs	138	156	171	221	208	465	810
Total costs	283	310	314	370	347	907	1.407
Core earnings before provisions	591	560	537	526	508	1.688	2.133
Provisions for bad and doubtful debts	0	1	2	19	-19	3	24
Core earnings	591	559	535	507	527	1.685	2.109
Loans and advances (end-period)	509.531	507.780	503.133	498.037	489.471	509.531	498.037
Risk-weighted items (avg.)	252.043	251.612	249.008	247.771	244.896	250.892	241.963
Allocated capital (avg.)	16.383	16.355	16.186	16.105	15.918	16.308	15.728
Core earnings as % p.a. of allocated capital	14	14	13	13	13	14	13
Cost/income ratio	32	36	37	41	41	35	40
RAROC	75%	67%	63%	62%	46%	68%	50%
Economic capital (DKr bn)	2.590	2.718	2.745	2.701	3.587	2.684	3.404
Contribution margin	50bp	50bp	50bp	50bp	50bp	50bp	50bp
Gross-lending (total market) (DKr bn)*	80	122	111	116	106	313	512
Market share (gross-lending) (%)*	32	30	31	39	31	31	32
Market share, loan portfolio (%)	34	34	35	35	35	34	35
Euro loans as % of total gross lending	3	2	3	4	2	3	4
FlexLån® (floaters) as % of total stock of loans	47	47	45	40	39	47	40
FlexLån® (floaters) as % of gross lending	64	64	75	82	48	68	52
Rating (Covered bond/longterm - S&P/Moody's)	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa	AAA/Aaa
No. of full-time employees (end-period)	985	998	988	1002	1002	985	1002

\* Source: Realkreditrådet (Danish mortgage finance council). [www.realkreditraadet.dk](http://www.realkreditraadet.dk)

### Mortgage finance book: Loans and guarantees

Mortgage finance book: Loans by property category (DKr bn)	Q304	Q204	Q104	Q403	Q303	End of period	End of year
						2004	2003
Retail	311	311	308	307	303	311	307
Urban trade	62	63	62	61	57	62	61
Agriculture	28	27	27	26	25	28	26
Residential rental	108	107	106	104	103	108	104
Total loans and guarantees	509	508	503	498	488	509	498

### 3.3. Danske Markets

#### Business profile

Danske Markets is responsible for the Group's activities in the financial markets. These activities include foreign exchange, equity and fixed-income trading, management of the Group's short-term liquidity and trading services for the Group's retail banking units. Danske Markets serves the largest corporate and institutional clients, providing financial products, advisory services regarding acquisitions and assistance to customers in connection with their issue of equity and debt on the international financial markets.

#### Financial performance

Danske Markets (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Net interest income	588	660	705	1.497	989	1.953	3.937
Fees and commissions	37	80	88	23	75	205	168
Other income	-69	-254	-103	-900	-483	-426	-1.501
Core income	556	486	690	620	581	1.732	2.604
Staff costs ex bonuses	122	124	134	130	129	380	515
Bonuses	36	21	105	14	62	162	314
Other costs	141	145	143	166	129	429	573
Total costs	299	290	382	310	320	971	1.402
Core earnings before provisions	257	196	308	310	261	761	1.202
Provisions for bad and doubtful debts	0	0	0	0	0	0	0
Core earnings	257	196	308	310	261	761	1.202
Bank loans and advances (end-period)	3.446	667	3.515	1.907	4.012	3.446	1.907
Risk-weighted items (avg.)	46.348	67.640	61.630	45.407	60.678	58.495	63.689
Allocated capital (avg.)	3.013	4.397	4.006	2.951	3.944	3.802	4.140
Core earnings as % p.a. of allocated capital	34	18	31	42	27	27	29
Cost/income ratio	54	60	55	50	55	56	54
RAROC	35%	22%	40%	32%	22%	32%	27%
Economic capital (DKr m)	2.832	3.226	2.954	3.683	4.576	3.001	4.224
Stock exchange volume - Denmark (YOY%)*	45	73	102	6	-5	45	6
Stock exchange volume - Norway (YOY%)*	62	74	135	24	17	62	24
Stock exchange volume - Sweden (YOY%)*	46	68	92	-9	-16	46	-9
Market share of equities on CSE (average) (%)**	19	21	20	16	17	20	17
No. of full-time employees (end-period)	556	533	536	538	536	556	538

\*All shares YTD - source: norex.com.

\*\*Percentage of total stock market volume on Copenhagen Stock Exchange - source: cse.dk.

Danske Markets (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
<b>Income breakdown</b>							
Fixed income, currency, derivatives etc.	492	397	571	556	502	1.460	2.338
Equities & corporate finance	64	89	119	64	79	272	266
Core income	556	486	690	620	581	1.732	2.604

## 3.4. Danske Capital

## Business profile

Danske Capital manages the funds of retail customers and institutional clients and the funds of Danica Pension, Firstnordic, Puljeinvest (pooled investment) and Flexinvest. The division also provides advisory services to Danske Invest and BG Invest. Investment management products are sold to retail and corporate customers through the country organisations and external distributors. Danske Capital serves institutional investors directly.

## Financial performance

Danske Capital (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Net interest income	2	2	2	1	1	6	2
Fees and commissions	163	170	181	190	182	514	718
Other income	-3	-1	-4	-13	-5	-8	-35
Core income	162	171	179	178	178	512	685
Staff costs ex bonuses	36	44	36	49	39	116	190
Bonuses	12	8	6	13	4	26	22
Other costs	31	30	33	55	46	94	190
Total costs	79	82	75	117	89	236	402
Core earnings	83	89	104	61	89	276	283
Risk-weighted items (avg.)	65	58	1.048	1.628	1.303	389	1.379
Allocated capital (avg.)	4	4	68	106	85	25	90
Core earnings as % of allocated capital	7.858	8.900	611	231	421	1.455	316
Cost/income ratio	49	48	42	66	50	46	59
RAROC	164%	187%	205%	116%	189%	185%	150%
Economic capital (DKr m)	202	191	204	206	186	199	189
Net inflow of AuM (DKr bn)	0,0	5,5	6,5	0,0	1,9	12,0	9,0
Total AuM (DKr bn) (end-period)	386	382	383	370	367	386	370
DK retail market share, mutual f. (MV end-period) (%)	39	39	39	41	41	39	41
DK retail market share, mutual f. (net inflow YTD) (%)	26	30	31	40	39	26	40
DK inst. market share, mutual f. (MV end-period) (%)	4	5	5	9	11	4	9
ASSET BREAKDOWN (end-period)							
Bonds (%)	80	78	79	79	80	80	79
Stocks (%)	17	18	18	18	16	17	18
Cash (%)	3	4	3	3	4	3	3
CUSTOMER BREAKDOWN (end-period)							
Life insurance and pension pools (DKr bn)	207	204	205	199	197	207	199
Danske Invest, incl. First nordic (DKr bn)	108	108	110	107	104	108	107
Institutional customers (DKr bn)	64	62	60	56	56	64	56
Private equity (DKr bn)	7	8	8	8	10	7	8
Core income as % of AuM (p.a.)	0,17	0,18	0,19	0,19	0,19	0,27	0,19
Cost as % of AuM (p.a.)	0,08	0,09	0,08	0,13	0,10	0,12	0,11
Core earnings as % of AuM (p.a.)	0,09	0,09	0,11	0,07	0,10	0,14	0,08
AuM per employee (end-period) (DKr m)	2.086	2.021	1.995	1.841	1.773	2.086	1.841
No. of full-time employees (end-period)	185	189	192	201	207	185	201

## 3.5. Danica Pension



## Business profile

Danica Pension encompasses all the Group's activities in the life insurance and pensions market. The area, marketed under the name of Danica Pension, is run by the Danica Pension Group and Forsikringselskabet Danica and targets both retail and corporate customers. Products are marketed through a range of distribution channels within the Danske Bank Group, primarily Banking Activities' outlets and Danica Pension's team of insurance brokers and advisers.

## Financial performance

For supplementary information on Danica Pension and its pension model, including a breakdown of pension segments and other topics, please see our white paper "Danica" on [www.danskebank.com/irpublications](http://www.danskebank.com/irpublications).

Danica Pension (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Risk-free return on share equity	77	72	71	97	62	220	310
0.5% of life ins. provisions etc.	193	195	190	189	189	578	743
30% of health/accident ins. result	14	-85	9	-22	-4	-62	-5
30% of risk result	6	17	-7	3	13	16	7
30% of cost result	52	43	53	40	43	148	154
100% of risk result FG	10	8	9	0	0	27	0
Unit-linked etc.	53	8	24	6	17	85	53
FD (non-life insurance)	7	-20	10	-77	-8	-3	-74
Core income - insurance activities (DKr m)	412	238	359	236	312	1,009	1,188
Funding, net (DKr)	-51	-47	-45	-57	-38	-143	-184
Core earnings (DKr)	361	191	314	179	274	866	1,004
Technical provisions	183,671	176,604	177,324	172,645	170,527	183,671	172,645
Allocated capital (solvency margin)	7,375	7,093	7,081	6,910	6,913	7,375	6,910
Core earnings as % of allocated capital	20	11	18	10	16	16	15
RAROC	55%	23%	48%	105%	22%	41%	42%
Economic capital (DKr m)	2,504	3,171	2,553	4,171	5,014	2,742	4,635
INVESTMENT PORTFOLIOS breakdown (end-period)							
Bonds (%)	81	80	81	81	82	81	81
Danish equities (%)	2	2	2	2	2	2	2
Foreign equities (%)	8	9	8	8	7	8	8
Property (%)	9	9	9	9	9	9	9
Bonus reserves (DKr bn)	7,8	7,2	8,1	7,2	5,2	7,8	7,2
Declared rate of interest on policyholders' savings, after tax (%)	4,5	4,5	4,5	4,5	4,5	4,5	4,5
Investment return of customer funds (pre tax) (YOY) (%)	6,2	2,7	3,2	6,4	5,1	6,2	6,4
Approx. market share (gross premiums) (%)	n/a	n/a	n/a	n/a	n/a	n/a	34,0
No. of full-time employees (end-period)	858	820	829	821	824	858	821
Rating (Insurer Financial strength - S&P)	AA-	AA-	AA-	AA-	A+	AA-	AA-

### 3.6. Investment Portfolios (Treasury)

#### Business profile

Earnings from investment portfolios stem from the Group's own equity, fixed-income and currency positions, including the total portfolio of unlisted shares, which include shares in companies providing the financial infrastructure in Denmark.

#### Financial performance

Group Treasury (DKr m)	Q304	Q204	Q104	Q403	Q303	Year to date 2004	Full year 2003
Fixed-income positions and currency	-35	-97	212	64	235	80	830
Shares							
Unlisted	71	220	46	102	-34	337	443
Listed	77	-46	252	23	24	283	364
Hedging of interest rate risk, Danica Pension	0	0	0	0	0	0	0
Expenses	29	18	60	19	43	107	144
Earnings from investment portfolios, banking business	84	59	450	170	182	593	1.493
Share of return on investments, Danica Pension	41	19	73	-14	-5	133	122
Risk allowance, Danica Pension	0	0	0	954	0	0	954
Earnings from investment portfolios, Danica Pension	41	19	73	940	-5	133	1.076
Total earnings from investment portfolios	125	78	523	1.110	177	726	2.569
Risk-weighted items, banking business (avg.)	21.973	29.809	29.059	25.523	24.545	26.929	25.357
Allocated capital, banking business (avg.)	1.428	1.938	1.889	1.659	1.595	1.750	1.648
RAROC	30%	16%	122%	43%	29%	54%	72%
Cost/income ratio	19	19	10	2	20	13	5
Economic capital (DKr m)	1.645	1.944	1.709	1.737	2.410	1.766	2.298
Interest rate risk (VAR) (DKr bn)*	0,2	0,3	0,2	0,2	0,4	0,2	0,2
Interest rate risk (DKr bn)	-0,3	0,5	0,9	1,4	0,8	-0,3	1,4
No. of full-time employees (end-period)	38	36	38	35	37	38	35

\* 99%, 10 days.

## Shareholder information



## 4.1. Ownership structure

### Shareholder composition

At the end of June 2004, Danske Bank had about 295,000 shareholders. Some 16 shareholders held around 56% of the Bank's share capital.

### Shareholder breakdown by size

Size of holding (end-period)	Number of shareholders	Percentage	Number of shares	Votes
0-1.000.000	294.947	32%	205.476.588	205.476.588
1.000.001-5.000.000	37	12%	80.101.943	80.101.943
5.000.001 +	16	56%	368.880.753	368.880.753
Total, end of June	295.000	100%	654.459.284	654.459.284

At the annual general meeting, each share (nominal value DKr 10) has one vote.

### Shareholder groups with more than 5%

According to the Danish Act on Securities Trading, a shareholder must notify the Bank if its shareholding exceeds 5% of the Bank's share capital or higher percentages divisible by 5 or if its shareholding falls below a previously reported level.

Three shareholder groups have reported holding more than 5% of Danske Bank's shares:

- A.P. Møller and Chastine Mc-Kinney Møller Foundation, Copenhagen
- Fonden RealDania
- Danske Bank Group

### A.P. Møller and Chastine Mc-Kinney Møller Foundation

In 2002, the A.P. Møller and Chastine Mc-Kinney Møller Foundation, Copenhagen, announced its new status as an undertaking carrying on business for profit. Accordingly, it began submitting the accounts of the A.P. Møller Group with the Foundation as the parent foundation. These accounts show a holding of more than 15% of Danske Bank's share capital.

### RealDania

Fonden RealDania, Copenhagen, reported a holding of more than 10% of the Bank's share capital.

### The Danske Bank Group

The Danske Bank Group - including the Danica companies - holds more than 5%.

### Free float

Since Fonden RealDania and A.P. Møller reported a shareholding of more than 10% and 15% respectively, these two largest shareholders now account for more than 25% of Danske Bank's share capital.

## Geographical shareholder breakdown

The Bank estimates that one-third of its share capital is held outside of Denmark. The region with the largest shareholding outside of Denmark is the US, with about 13% of the Bank's share capital. The UK ranks second, with about 9%.

Country	Number of shares	Percentage
Denmark	327.458.877	50,0%
USA	84.538.774	12,9%
England	61.841.919	9,5%
Sweden	6.100.537	0,9%
Germany	5.185.873	0,8%
Norway	4.047.079	0,6%
Ireland	3.360.387	0,5%
Japan	2.923.403	0,5%
The Netherlands	2.750.993	0,4%
Singapore	2.324.147	0,4%
Not identified (including retail)	153.927.295	23,5%
Total number of outstanding shares, end of June	654.459.284	100%

## 4.2. Common share data

The Danske Bank Group is the largest financial services organisation in Denmark. The Bank's general objective is to give its shareholders a competitive return.

The average daily trading volume of Danske Bank shares was in the first three quarters of 2004 Dkr263m. With a total trading volume of Dkr 64.9bn, the Danske Bank share was the most actively traded share on the Copenhagen Stock Exchange in 2003.

At the end of September 2004, there were 645,680,682 shares outstanding at a nominal value of Dkr10 per share. At the annual general meeting, each share is entitled to one vote.

Danske Bank shares are negotiable, and no special rights are attached to them. No shareholder is obligated to redeem shares in full or in part. The shares are issued to the bearer, but they can be registered by name in the Bank's register of shareholders.


Per share data (DKr)	Year to date					
	2004	2003	2002	2001	2000	1999
Earnings per share, DKr	10,4	13,3	11,5	11,9	8,2	9,4
Price/earnings, end of period	15,2	10,4	10,2	11,4	17,3	8,6
Dividend per share, DKr	-	6,55	4,75	4,75	4,40	2,50
Dividend yield, %	-	5,5	4,0	3,5	3,1	3,1
Share price, end of period	157,7	138,8	117,4	135,1	141,8	80,9
Book value per share, end of period, DKr	98,1	89,9	84,8	78,0	70,5	57,5
Outstanding shares, end of period (millions)	646	672	712	732	723	529
Issued shares, end of period (millions)	672	712	732	732	759	529
Pay-out ratio, %	-	50,0	40,0	40,0	54,0	26,6
Share price/book value per share end of period	1,6	1,5	1,4	1,7	2,0	1,4
Market capital, end of period, DKr m	101.792	93.310	83.550	98.893	102.469	42.816
Return on equity after tax p.a., %	14,8	15,2	14,0	16,0	11,5	16,4

# Macroeconomics




## 5.1. Tables and charts


In 2004, macroeconomic conditions affecting the Nordic countries are expected to be more favourable than in 2003.

Denmark (%) 	2005E	2004E	2003	2002	2001	2000
GDP Growth	2,3	2,4	0,5	1,0	1,6	2,8
Export	3,8	3,0	0,0	4,8	4,4	13,5
Private Consumption	2,5	3,4	0,8	0,6	-0,2	-0,7
Public Consumption	0,5	0,7	1,0	2,1	2,7	0,9
Inflation	1,9	1,4	2,1	2,4	2,4	2,8
Unemployment Rate	5,7	6,1	5,9	5,0	5,0	5,2
Short Term Interest Rate (T/N) (avg.)	2,7	2,2	2,4	3,5	4,8	4,5
10-Year (avg.)	5,1	4,4	4,3	5,0	5,1	5,6


  

Norway (%) 	2005E	2004E	2003	2002	2001	2000
GDP Growth	2,9	3,2	0,3	1,3	2,6	2,9
Export	2,1	2,3	1,3	0,0	4,9	3,8
Private Consumption	4,0	4,8	3,7	3,6	1,7	3,8
Public Consumption	2,1	1,2	1,4	2,5	6,3	1,4
Inflation	1,8	0,6	2,5	1,3	3,0	3,1
Unemployment Rate	4,3	4,4	4,5	3,9	3,6	3,5
Short Term Interest Rate (T/N) (avg.)	2,3	1,8	4,2	6,7	7,0	6,2
10-Year (avg.)	5,3	4,5	5,0	6,4	6,2	6,2

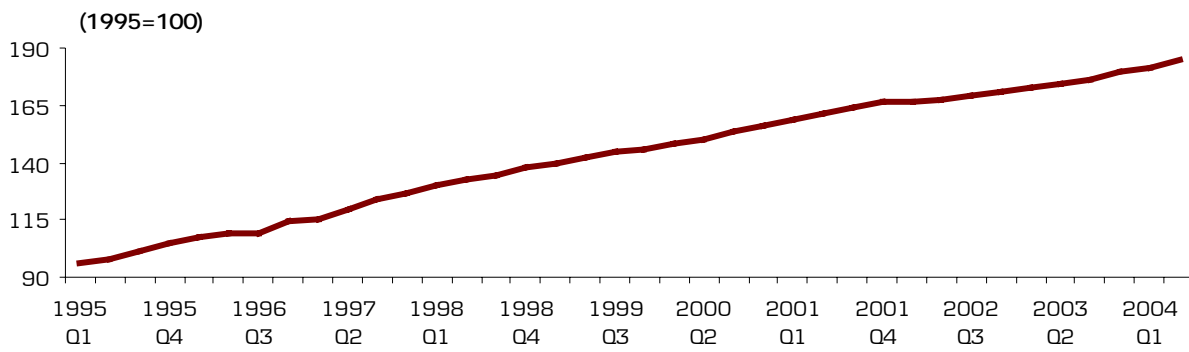
Sweden (%) 	2005E	2004E	2003	2002	2001	2000
GDP Growth	2,5	3,0	1,6	2,0	1,2	4,4
Export	5,0	8,0	5,6	1,0	0,4	11,0
Private Consumption	2,4	3,0	2,0	1,4	0,4	5,0
Public Consumption	0,7	1,0	0,7	3,2	0,9	-1,2
Inflation	1,0	0,6	2,1	2,2	2,4	1,0
Unemployment Rate	5,5	6,0	4,9	4,0	3,9	4,8
Short Term Interest Rate (T/N) (avg.)	2,6	2,2	3,2	4,1	4,0	3,7
10-Year (avg.)	5,2	4,6	4,6	5,3	5,1	5,3

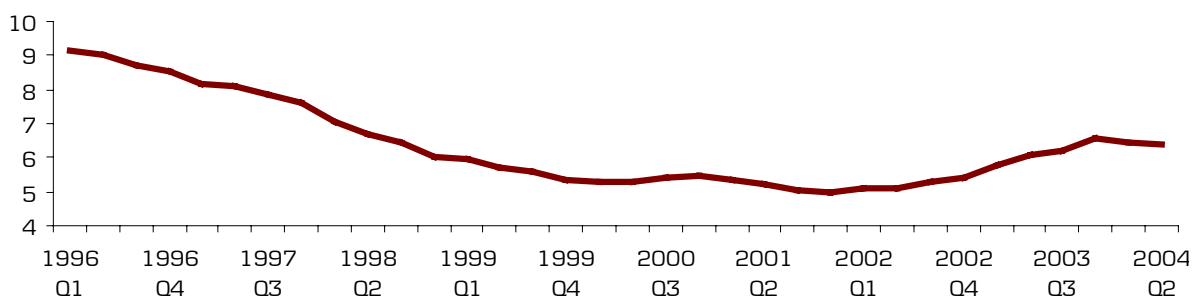
Euroland (%) 	2005E	2004E	2003	2002	2001	2000
GDP Growth	2,3	1,9	0,5	0,9	1,6	3,5
Export	5,4	5,2	0,1	1,5	3,4	12,3
Private Consumption	2,0	1,5	1,0	0,5	1,8	2,7
Public Consumption	2,0	1,5	2,0	3,0	2,5	2,1
Inflation	1,9	2,1	2,1	2,3	2,3	2,1
Unemployment Rate	8,9	9,0	8,9	8,5	8,1	8,5
Short Term Interest Rate (T/N) (avg.)	2,6	2,0	2,3	3,2	4,3	4,0
10-Year (avg.)	4,9	4,2	4,1	4,8	4,8	5,3

Source: Danske Research ([www.danskebank.com/danskeresearch](http://www.danskebank.com/danskeresearch)). Updated October 2004. Sweden updated August 2004.

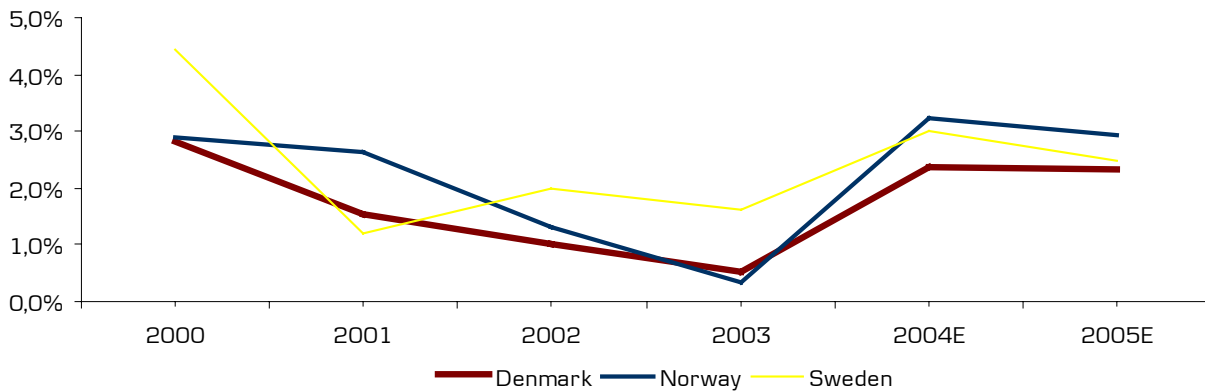
### House price index (DK-seasonally adj)



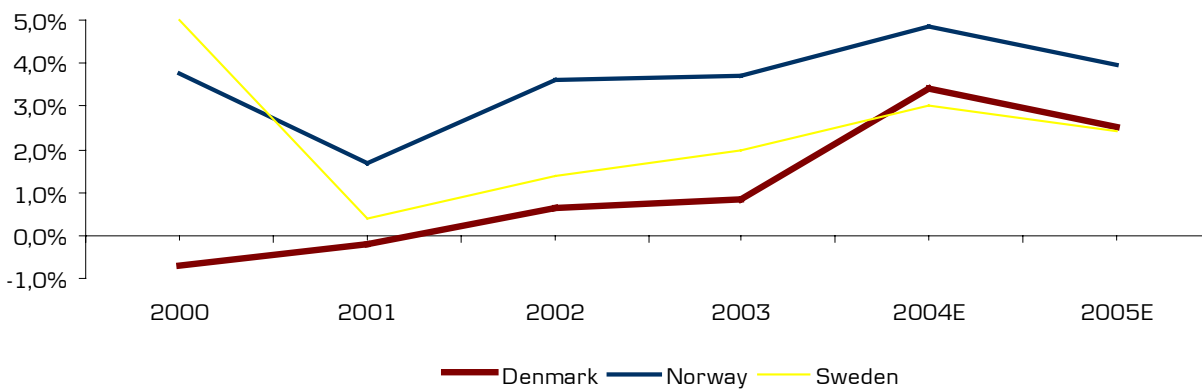
### Unemployment Rate (DK)



### GDP Growth

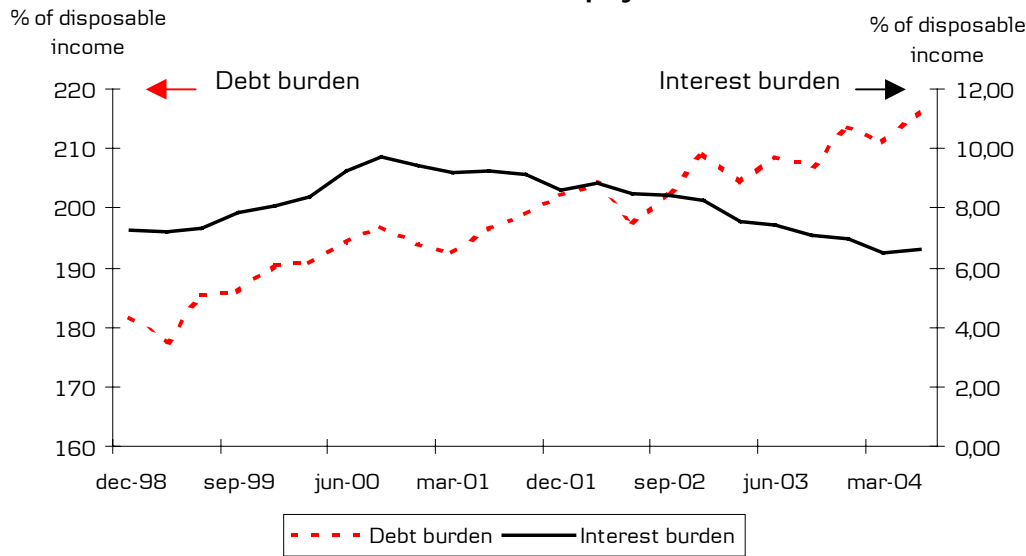


### Private Consumption

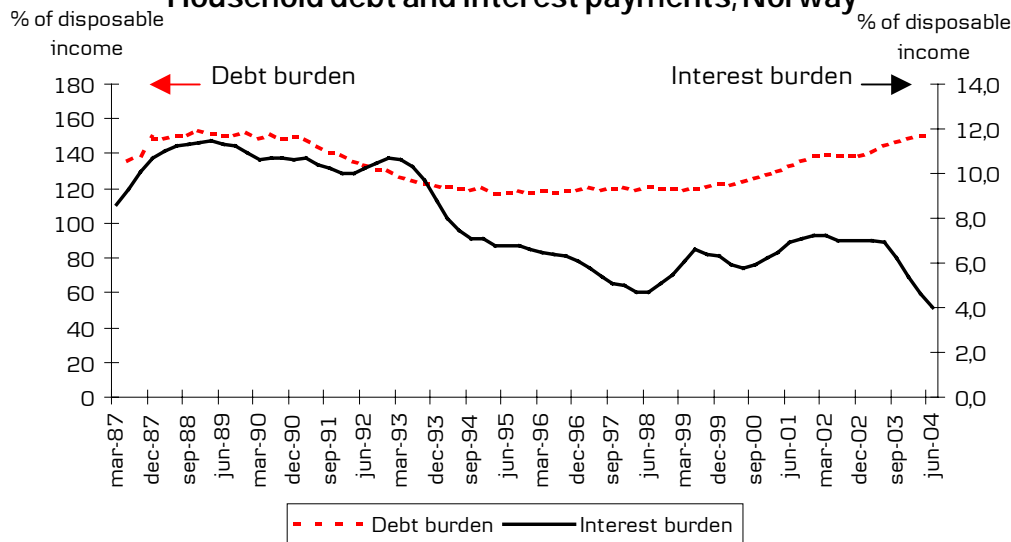


Source: Danske Analyse ([www.danskebank.com/danskeresearch](http://www.danskebank.com/danskeresearch)).

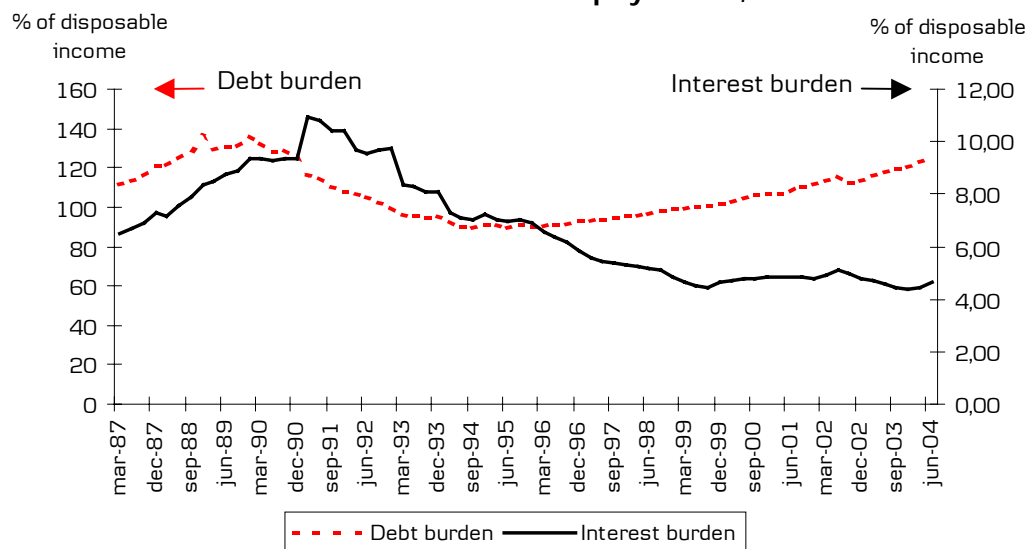
### Household debt and interest payments, Denmark



### Household debt and interest payments, Norway



### Household debt and interest payments, Sweden



Source: Danske Analyse (www.danskebank.com/danskeresearch). Updated October 2004.