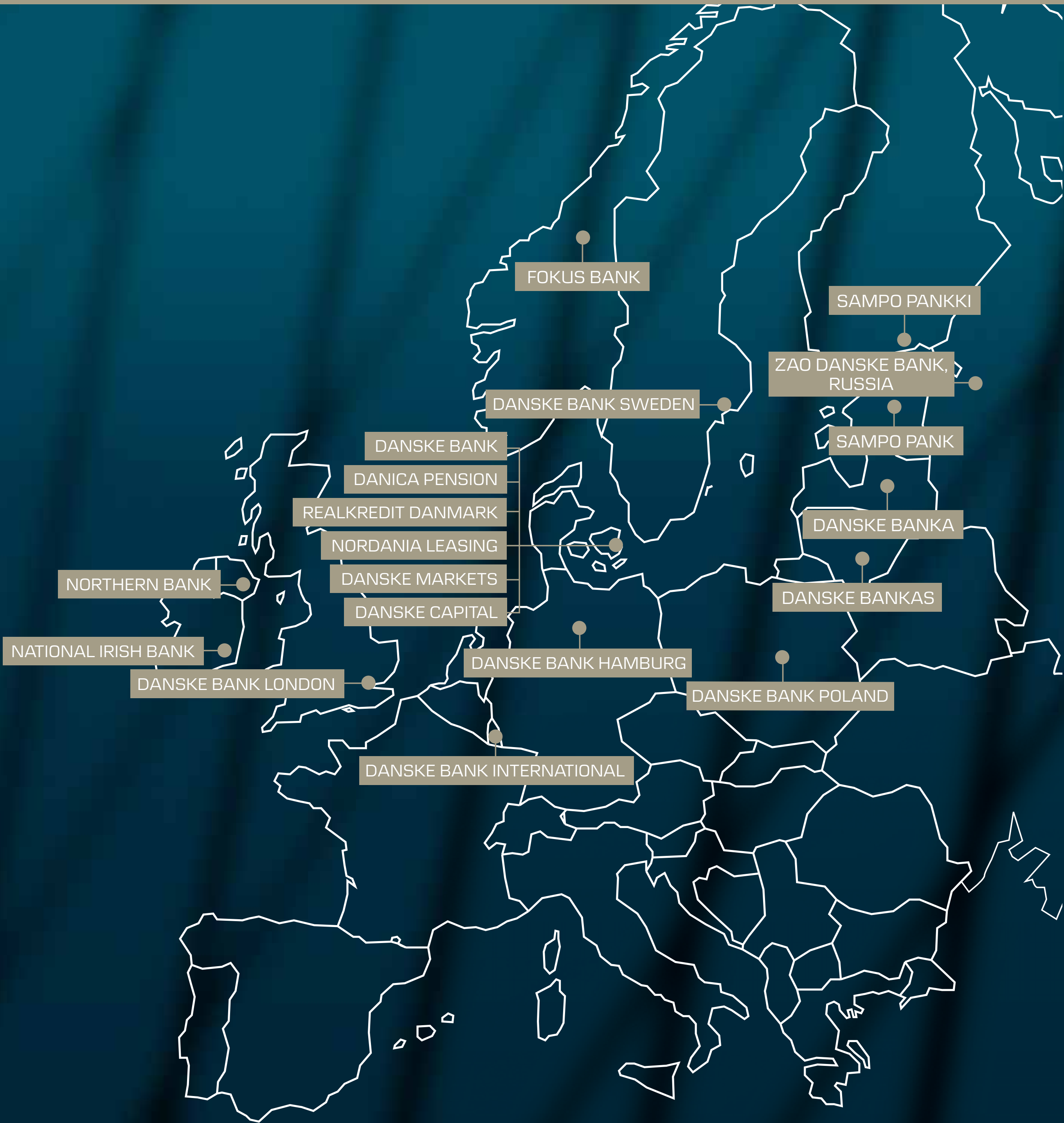
ANNUAL REPORT 2008

Danske Bank

DANSKE BANK GROUP



REPRESENTED IN 14 COUNTRIES / 804 BRANCHES / 5 MILLION CUSTOMERS / 23,624 EMPLOYEES

ADDITIONAL INFORMATION ABOUT THE DANSKE BANK GROUP

The Danske Bank Group has also published Corporate Responsibility 2008, Risk Management 2008, Fact Book Q4 2008 and CR Fact Book 2008. These publications provide detailed information about the Danske Bank Group and its business units and are available on the Group's website – www.danskebank.com/ir.

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FINANCIAL HIGHLIGHTS – DANSKE BANK GROUP

INCOME STATEMENT (DKr m)	2008	2007	Index 08/07	Pro forma 2006	2006	2005	2004
Net interest income	27,005	24,391	111	22,610	19,501	17,166	14,752
Net fee income	8,110	9,166	88	8,877	7,301	7,289	5,898
Net trading income	6,076	7,378	82	7,280	6,631	6,351	4,732
Other income	3,585	3,010	119	2,952	2,698	2,255	2,029
Net income from insurance business	-1,733	1,118	-	1,355	1,355	1,647	1,657
Total income	43,043	45,063	96	43,074	37,486	34,708	29,068
Operating expenses	28,726	25,070	115	22,640	19,485	18,198	15,393
Profit before loan impairment charges	14,317	19,993	72	20,434	18,001	16,510	13,675
Loan impairment charges	12,088	687	-	-484	-496	-1,096	759
Profit before tax	2,229	19,306	12	20,918	18,497	17,606	12,916
Tax	1,193	4,436	27	5,549	4,952	4,921	3,690
Net profit for the year	1,036	14,870	7	15,369	13,545	12,685	9,226
Attributable to minority interests	25	57	44	79	-12	4	28

BALANCE SHEET AT DECEMBER 31 (DKr m)

Due from credit institutions and central banks	215,823	345,959	62	278,817	275,268	274,918	230,690
Loans and advances	1,785,323	1,700,999	105	1,519,554	1,362,351	1,188,963	994,591
Repo loans	233,971	287,223	81	294,555	294,555	209,732	145,075
Trading portfolio assets	860,788	652,137	132	504,308	490,954	444,521	422,547
Investment securities	140,793	37,651	374	28,970	26,338	28,712	31,505
Assets under insurance contracts	181,259	190,223	95	194,302	194,302	188,342	163,205
Other assets	126,017	135,338	93	117,529	95,593	96,800	64,894
Total assets	3,543,974	3,349,530	106	2,938,035	2,739,361	2,431,988	2,052,507
Due to credit institutions and central banks	562,726	677,355	83	569,142	564,549	476,363	353,369
Deposits	800,297	798,274	100	693,142	598,899	533,181	435,507
Repo deposits	74,393	125,721	59	104,044	104,044	98,003	52,356
Bonds issued by Realkredit Danmark	479,534	518,693	92	484,217	484,217	438,675	432,399
Other issued bonds	526,606	402,391	131	365,761	293,736	251,099	190,255
Trading portfolio liabilities	623,290	331,547	188	240,304	236,524	212,042	215,807
Liabilities under insurance contracts	210,988	213,419	99	215,793	215,793	212,328	191,467
Other liabilities	110,033	118,750	93	114,135	97,476	92,371	80,959
Subordinated debt	57,860	59,025	98	56,325	48,951	43,837	33,698
Shareholders' equity	98,247	104,355	94	95,172	95,172	74,089	66,690
Total liabilities and equity	3,543,974	3,349,530	106	2,938,035	2,739,361	2,431,988	2,052,507

RATIOS AND KEY FIGURES

Earnings per share (DKr)	1.5	21.7		-	21.5	20.2	14.4
Diluted earnings per share (DKr)	1.5	21.6		-	21.4	20.2	14.4
Return on average shareholders' equity (%)	1.0	15.1		-	17.5	18.4	13.9
Cost/income ratio (%)	66.7	55.6		-	52.0	52.4	52.7
Solvency ratio (%)	13.0	9.3		-	11.4	10.3	10.2
Core (tier 1) capital ratio (%)	9.2	6.4		-	8.6	7.3	7.7
Share price (end of year) (DKr)	52.0	199.8		-	250.0	221.2	167.5
Book value per share (DKr)	142.4	152.7		-	139.1	118.2	106.7
Full-time-equivalent staff (end of year)	23,624	23,632		-	19,253	19,162	16,235

Figures for 2007 and pro forma figures for 2006 include the Sampo Bank group as of February. As of 2008, the solvency and core (tier 1) capital ratios are calculated in accordance with the CRD.

OVERVIEW

- In 2008, the capital markets were subject to tremendous turbulence, with sharply falling equity prices, substantially wider credit spreads, frozen money markets and decelerating economic growth. The negative market trends were particularly extreme in the fourth quarter. Developments in January 2009 further illustrated the scope of the economic and financial setback in the fourth quarter of 2008.

- The turmoil in the capital markets and the general economic slowdown naturally had a severely adverse effect on the Danske Bank Group's 2008 results, and they also affect the outlook for 2009.

- Net profit was DKr1.0bn, against DKr14.9bn in 2007, and thus below the estimate presented with the interim report for the first nine months of 2008.

- Earnings reflect individual loan impairment charges of DKr8.8bn. In addition, the negative trend, which continued into January 2009, prompted the Group to make collective impairment charges of DKr3.3bn on its loan portfolio and goodwill impairment charges of DKr3.1bn, primarily against National Irish Bank, Ireland. The unsatisfactorily high level of impairment charges was the result of the financial crisis, declining asset values and the economic slowdown in the Group's markets.

- The turbulence in the financial markets was especially detrimental to the performance of the Group's market-related activities – in Danske Markets, Danske Capital and Danica Pension. Together they recorded a decline in profit before loan impairment charges of DKr4.8bn.

- The Group's main source of income – its banking activities – proved robust and generated satisfactory results.

- Danske Bank chose to participate in the guarantee scheme set up by the Danish state to protect customer deposits and creditors' claims against banks. The scheme took effect on October 5, 2008, and expires on September 30, 2010. It includes an unconditional state guarantee for the obligations of Danish banks, except for subordinated debt and covered bonds.

- Excluding the guarantee commission payable to the Danish state and goodwill impairment charges, expenses matched the level in 2007, which was better than expected. Expenses for the state guarantee amounted to DKr0.6bn.

- At the end of 2008, the core (tier 1) capital ratio had increased to 9.2%, and the solvency ratio to 13.0%.

- The Group was able to meet its liquidity targets throughout the year.

- The financial results in 2009 will depend on macroeconomic conditions in the Group's principal markets and trends in the capital markets. The Group expects the level of loan impairment charges to remain high in 2009, reflecting the general economic climate, although it believes that the turbulent conditions in the fourth quarter of 2008 were extraordinary.

- On February 3, 2009, the Danish parliament passed a bill which allows Danish credit institutions that meet the regulatory solvency requirement to apply to the Danish state for subordinated loan capital in the form of hybrid core capital. The Board of Directors will propose to the general meeting that the Board of Directors be authorised to apply for and let the Group receive subordinated loan capital from the Danish state. The Group expects to receive subordinated loan capital of about DKr26bn. The Group believes that such subordinated loan capital will further strengthen its capital base and enable it to withstand the losses that will inevitably occur during the coming recession while maintaining reasonable lending activities. At December 31, 2008, such a capital injection would raise the Group's core capital ratio further to around 12% and its solvency ratio to around 16%.

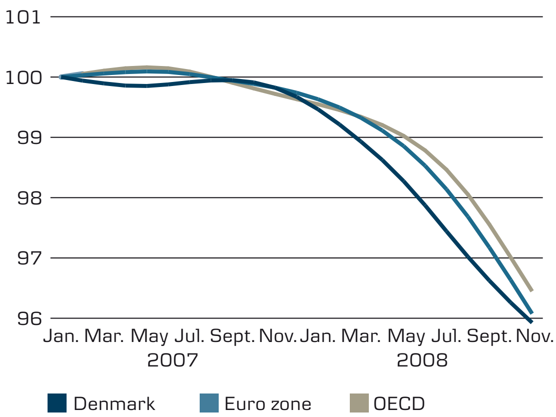
- The financial crisis, integration projects and rationalisations have led to a fall in activity, affecting head office departments and support functions. As part of its efforts to reduce costs, the Group will therefore cut staff by around 350.

- Robust banking activities, the needed widening of interest margins in 2008, tight cost control and a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

SUMMARY

In 2008, the capital markets were subject to tremendous turbulence. In the second half of the year, the situation worsened and developed into a profound distrust of the international financial system. The result of the financial and economic collapse was economic recession in many of the Group's markets. The negative market trends were particularly extreme in the fourth quarter. Developments in January 2009 further illustrated the scope of the economic and financial setback in the fourth quarter of 2008.

OECD CLI INDEX
(CLI = Composite Index of Leading Indicators)
Index Jan. 2007=100



The intense unrest led to a generally more difficult business environment, sharply falling equity prices, substantially wider credit spreads and decelerating economic growth. To restore confidence in the financial system, several countries launched support packages in the autumn; in Denmark, a state guarantee was set up to protect customer deposits and creditors' claims against banks.

The crisis led to bankruptcies and meltdowns in the financial sector worldwide. Several financial institutions in both the US and Europe were merged or taken over, in many cases through government intervention. The measures introduced by governments varied, with increased depositor guarantees, state guarantees to protect claims against banks, capital injections and widely expanded central bank funding facilities among the most common features. Nevertheless, the financial sector both in Denmark and abroad remains under considerable pressure.

In the autumn of 2008, the most important global players introduced a number of measures to ease the situation in the financial markets and the money markets. In spite of expansionary financial initiatives, including substantial interest rate cuts, the Group expects to see modest economic growth or even economic contraction in its principal markets.

The turmoil in the capital markets and the general economic slowdown naturally had a severely adverse effect on the Danske Bank Group's 2008 results and also affect the outlook for 2009.

Robust banking activities, the needed widening of interest margins in 2008, tight cost control and

a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

The year 2008

The Group posted a net profit of DKr1.0bn for 2008, against DKr14.9bn in 2007.

The Group's main source of income – its banking activities – proved robust.

The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – was greatly affected by the turmoil in the financial markets, and the Group's insurance operations posted a capital loss on its holdings of mortgage bonds. The Group does not believe that the unrealised loss on mortgage bonds was caused by the underlying credit quality.

Income from the trading activities of Danske Markets showed a satisfactory increase, as the volatile capital markets generated strong demand among corporate and institutional clients for products to hedge interest and exchange rate risks.

Excluding the guarantee commission payable to the Danish state and goodwill impairment charges, operating expenses were lower than expected: general increases in wages and prices and the expansion of activities were offset by lower total integration expenses and by realised synergies. In view of the current situation, the Group decided to significantly reduce bonus payments. Bonus payments to the Executive Board were cancelled.

Ireland's economy deteriorated throughout 2008, taking a drastic turn for the worse in the fourth quarter, with a falling GDP, declining house prices and rising unemployment. Until the autumn of 2008, National Irish Bank's financial results had matched the Group's expectations upon the acquisition in 2005. In view of the sharp slowdown in the Irish economy, forecasts now call for significantly lower growth and a period of higher loan impairment charges. The revised earnings estimate led to a goodwill impairment charge of DKr2.9bn against National Irish Bank.

The Group also made a goodwill impairment charge of DKr0.2bn against Krogsveen, its Norwegian real-estate agency chain, to reflect the negative trend in the Norwegian property market.

The goodwill impairment charges for National Irish Bank and Krogsveen did not affect the Group's solvency ratio because intangible assets had already been deducted from its core (tier 1) capital.

The markets in which the Group operates thus saw a sharp downturn in 2008, resulting in substantial loan impairment charges that significantly exceeded forecasts. This led to accelerating impairment charges on loans to financial counterparties and corporate customers. Furthermore, the Group made a collective impairment charge in response to the accelerating fall in asset values and tighter liquidity, and a provision for the loss guarantee to the Danish state.

Impairment charges for loans extended to personal customers were modest in 2008.

Because of the challenges within the credit area at National Irish Bank, the Group reorganised a number of credit and business development functions. Moreover, Danske Markets reorganised its proprietary trading activities after the recognition of significant negative value adjustments of positions taken.

Liquidity

Despite the difficult market conditions, the Group met its targets for short-term liquidity mainly through stable deposits and large liquid bond holdings, which can be used as collateral for loan facilities with central banks. By the end of 2008, the international debt markets had become more accessible, partly because of the introduction of financial support packages.

Together with most other Danish banks, Danske Bank chose to participate in the guarantee scheme set up by the Danish state. The scheme took effect on October 5, 2008, and expires on September 30, 2010. It includes an unconditional state guarantee for deposits with and claims on Danish banks, except for subordinated debt and covered bonds.

The Danish state charges an annual guarantee commission of DKr7.5bn. Through the Private Contingency Association, the participating banks are jointly and severally liable for payment of the commission and for a guarantee commitment of DKr20bn, half of which falls due only if the losses incurred by the sector as a whole exceed DKr25bn. The Danske Bank Group's share of the scheme is around one third. During the two-year guarantee period, the participating banks may not pay out dividends or buy back shares.

The Group's financial results for 2008 reflect the guarantee commission of DKr0.6bn payable to the Danish state and a provision of DKr0.3bn for the loss guarantee to the Danish state.

Capital management

At the beginning of 2008, the Group's minimum capital targets for its core capital and solvency ratios were 7.5% and 11.0%, respectively.

At the end of 2008, these capital targets no longer formed the basis for optimum solvency level management because the Group believes that higher minimum targets will be needed in response to the international financial turmoil. In the light of this situation, the Group will revise its capital targets when conditions in the financial markets have been clarified.

At the end of 2008, the solvency ratio stood at 13.0%, with 9.2 percentage points deriving from the Group's core (tier 1) capital. At the beginning of the year, the solvency ratio was 12.6% and the core capital ratio was 8.7%.

On February 3, 2009, the Danish parliament passed a bill which allows Danish credit institutions that meet the regulatory solvency requirement to apply to the Danish state for subordinated loan capital. The Group expects to receive subordinated loan capital of about DKr26bn.

The institutions must generally pay interest at individual rates ranging from 9% to 11.25% per annum. After a period of three years, the rate used will be the higher of the interest rate fixed and 125% of the individual institution's dividend yield.

The Group believes that the injection of subordinated loan capital will further strengthen its capital base and enable it to withstand the losses that will inevitably occur during the coming recession while maintaining reasonable lending activities.

Ensuring good ratings is an important part of the Group's capital targets because good ratings give the Group easier and cheaper access to capital and liquidity from the capital markets. The Group maintained its ratings in 2008, although Standard & Poor's lowered its outlook from stable to negative and Moody's added "under review for possible downgrade".

Outlook for 2009

The economic recession and the financial turbulence have led to more difficult earnings conditions for the financial sector.

The Group expects the level of loan impairment charges to remain high in 2009, reflecting the general economic climate, although it believes that the turbulent conditions in the fourth quarter of 2008 were extraordinary.

Expenses for the Danish state guarantee scheme and the expected capital injection also reduce the expected earnings for 2009.

The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – will depend greatly on trends in the financial markets, including the level of securities prices at the end of the year.

The year 2009 is likely to be a very challenging year for the financial sector. The Group's robust banking activities, the needed widening of interest margins in 2008, tight cost control and a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

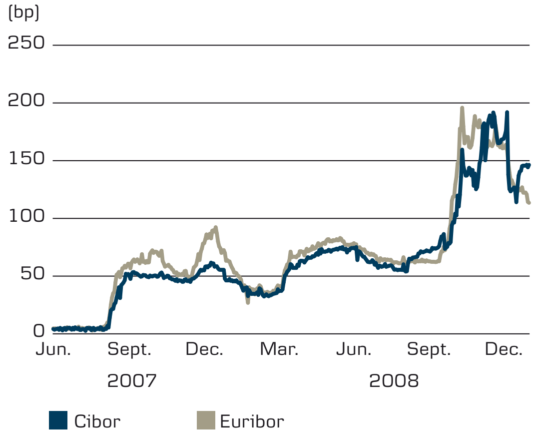
FINANCIAL REVIEW

The past 18 months have been characterised by tremendous turbulence in the capital markets, falling equity prices, a considerable widening of credit spreads and lower economic growth. In the second half of 2008, the financial crisis worsened, and a profound distrust of the international financial system resulted in a meltdown in both international and domestic debt markets. The intense unrest led to a generally more difficult business environment, including much higher funding costs.

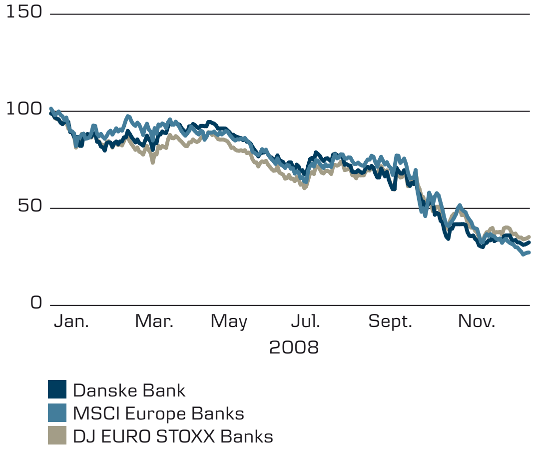
Financial results for the year

The Group's banking activities showed satisfactory earnings robustness. The rise in net interest income was owing to good, albeit declining, growth in lending and clearly improved lending margins, which more than compensated for pressures on deposit margins and lower fee income. But the wider lending margins compensated for only a small part of the higher loan impairment charges. In 2008, the profit from the Group's banking activities before loan impairment charges, integration expenses, the guarantee commission payable to the Danish state and goodwill impairment charges was 5% higher than the figure for 2007.

CIBOR AND EURIBOR 3-MONTH SPREAD TO OIS
(OIS = Overnight Index Swaps)



DANSKE BANK SHARES
Index Jan. 2008 = 100



PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKr m)	2008	2007	Index 08/07
Danish banking activities	10,527	10,774	98
Non-Danish banking activities	6,489	6,096	106
Total banking activities	17,016	16,870	101
Danske Markets	1,233	2,925	42
Danske Capital	813	1,089	75
Danica Pension	-1,733	1,118	-
Other Activities	1,435	137	-
Goodwill impairment charges	3,084	-	-
Total integration expenses	1,363	2,146	64
Profit before loan impairment charges	14,317	19,993	72

Figures for 2007 include the Sampo Bank group as of February. Business unit figures do not include integration expenses and goodwill impairment charges.

Income at the Group's market-related business units – in Danske Markets, Danske Capital and Danica Pension – showed a fall of DKr4.8bn, however, and goodwill impairment charges for National Irish Bank and Krogsveen amounted to DKr3.1bn.

Income from trading activities showed a satisfactory increase of DKr2.9bn, as the volatile capital markets offered profitable trading opportunities and generated strong customer demand for products to hedge interest and exchange rate risks.

Loan impairment charges for the Group, consisting primarily of write-downs on facilities to corporate customers and financial counterparties and a provision payable to the Danish state for the loss guarantee covering Danish banks in financial difficulty, totalled DKr12.1bn.

The Group posted a net profit of DKr1.0bn for 2008, against DKr14.9bn in 2007.

Income

Total income was DKr43.0bn, or 4% below the 2007 level. The decline was owing solely to the trend in income related to the capital markets, as the Group's banking activities saw a positive trend.

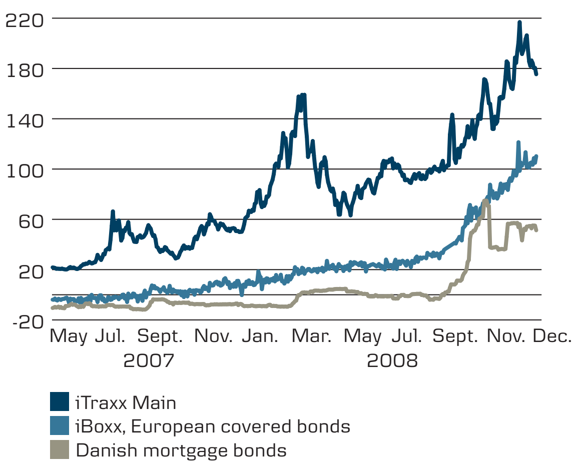
Income from banking activities outside Denmark rose 7%, and these units now account for 41% of total income from banking activities. Danske Markets' and Danske Capital's operations outside Denmark also generated significant international income.

Net interest income saw a positive trend on the strength of good lending growth and, not least, a widening of lending margins. The turbulence in the capital markets caused funding costs to rise, and the Group raised lending rates on several occasions in 2008.

Net fee income declined 12% to DKr8.1bn. The fall reflects primarily a drop in income from investment activities, which suffered as a result of the slowdown in the capital markets, and lower income from assets under management. Sampo Bank's waiver of certain service fees also diminished net fee income.

Net trading income fell 18% to DKr6.1bn, which was unsatisfactory. Proprietary trading and Group Treasury recorded losses, primarily as a result of the considerable widening of credit spreads, including spreads of highly rated bonds. Moreover, higher money market rates led to rising funding costs. Income from trading activities rose DKr2.9bn, as the highly volatile capital markets led to strong customer demand, particularly in the corporate and institutional customer segments, for products to hedge interest and exchange rate risks.

YIELD SPREADS TO SWAP RATE
(bp)



On October 1, 2008, in response to significant price distortions in certain bond markets, the Group decided to apply the IAS 39 reclassification option. It reclassified DKr117bn worth of bonds in the trading portfolio as available-for-sale financial assets. In the fourth quarter, these bonds registered an unrealised capital loss of DKr1.9bn that was charged directly to shareholders' equity. Interest on these bonds amounted to DKr0.3bn.

Other income climbed DKr0.6bn to DKr3.6bn, mainly because of property sales and the outcome of a case involving a claim for VAT repayment that the Group had brought before the Danish National Tax Tribunal. As a result of the case, the Group received a reimbursement of DKr0.4bn.

A negative return on investments – owing to falling equity prices – caused the Group's insurance business to post an unsatisfactory pre-tax loss of DKr1.7bn, against a profit of DKr1.1bn in 2007. Consequently, the Group had to postpone the booking of its risk allowance of DKr1.1bn. The Group can book the allowance at a later date – with no time restrictions – when the return on Danica's investments permits.

Operating expenses

Operating expenses rose 15% to DKr28.7bn. Excluding the guarantee commission of DKr0.6bn payable to the Danish state and goodwill impairment charges of DKr3.1bn, operating expenses were lower than estimated and matched the level in 2007: general increases in wages and prices and the expansion of activities were offset by lower total integration expenses and bonuses and by realised synergies. The cost/income ratio was 66.7%. Excluding total integration expenses and goodwill impairment charges, the cost/income ratio was 56.4%, against 50.9% in 2007, as a result of the declining income.

Ireland's economy deteriorated throughout 2008, taking a drastic turn for the worse in the fourth quarter with a falling GDP, declining house prices and rising unemployment. Until the autumn of 2008, National Irish Bank's financial results had matched the Group's expectations upon the acquisition in 2005. In view of the sharp slowdown in the Irish economy, forecasts now call for significantly lower growth and a period of higher loan impairment charges. The revised earnings estimate led to a goodwill impairment charge of DKr2.9bn against National Irish Bank.

The Group also made a goodwill impairment charge of DKr0.2bn against Krogsveen, its Norwegian real-estate agency chain, to reflect the negative trend in the Norwegian property market.

The goodwill impairment charges did not affect the Group's solvency ratio because intangible assets had already been deducted from its core (tier 1) capital.

Loan impairment charges

Loan impairment charges amounted to DKr12.1bn, against DKr0.7bn in 2007. The level was significantly higher than forecast and reflects the dramatic economic decline worldwide, particularly in the last months of 2008.

LOAN IMPAIRMENT CHARGES (DKr m)	Individual	Collective	Total
Banking Activities Denmark	3,866	488	4,354
Banking Activities Finland	526	-15	511
Banking Activities Sweden	430	90	520
Banking Activities Norway	408	81	489
Banking Activities Northern Ireland	472	169	641
Banking Activities Ireland	1,437	263	1,700
Banking Activities Baltics	126	169	295
Other Banking Activities	-8	30	22
Danske Markets	1,237	2,000	3,237
Danske Capital	289	30	319
Total	8,783	3,305	12,088

At Banking Activities Denmark, loan impairment charges included a provision of DKr0.3bn for expected payments under the loss payment guarantee to the Danish state.

Banking Activities Ireland continued to suffer under the recession, and in the fourth quarter, the Group recognised additional impairment charges of DKr1.0bn, primarily for exposure to the property segment. The Group tightened its credit policy for the Irish market considerably and reorganised local credit activities.

The financial crisis continued to have a very negative effect on the markets, and the Group wrote down DKr2.7bn on loan facilities to international financial counterparties in the fourth quarter of 2008. Some DKr2.0bn of this amount derived from collective impairment charges owing to great uncertainty about the value of the collateral provided.

The economic crisis and the recession are likely to affect the credit quality of customers in a number of industries. Consequently, the Group made collective impairment charges on facilities to downgraded customers and exposed industries. At the end of the year, industry-related collective impairment charges included charges against facilities to property developers, contractors, transporters, car manufacturers and international financial counterparties. These collective impairment charges totalled DKr4.7bn, or 29% of the total balance in the allowance account.

Tax

Tax on the profit for the year amounted to DKr1,193m, or 54% of the pre-tax result. The effective tax rate is high because goodwill impairment charges are not tax deductible.

Fourth quarter 2008

The pre-tax result for the fourth quarter of 2008 was a loss of DKr7.1bn, against a profit of DKr1.6bn in the third quarter.

The fall was owing mainly to accelerating impairment charges on loans to corporate customers, collective impairment charges to reflect decreasing asset values, the guarantee commission payable to the Danish state, a provision for the loss guarantee to the Danish state and goodwill impairment charges against National Irish Bank and Krogsveen.

Net interest income from Banking Activities Denmark proved particularly robust: income rose owing to improved lending margins and thus compensated for continuing pressures on fee income from the slowdown in business activity.

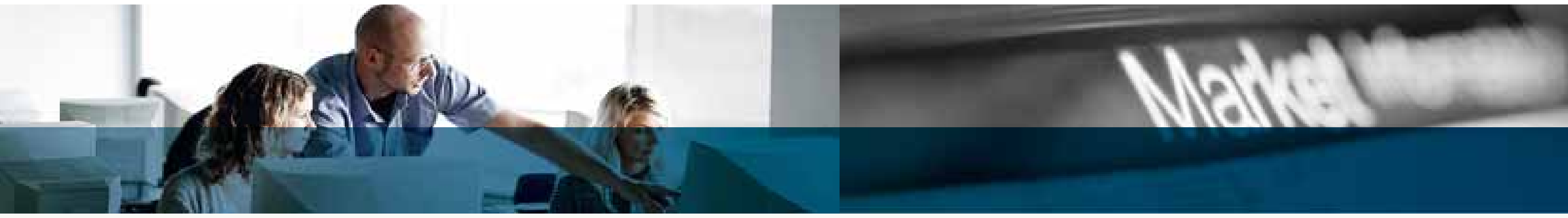
Net interest income also benefited by DKr0.3bn in interest on bonds reclassified as available-for-sale financial assets on October 1, 2008. Income from the Group's banking activities grew DKr0.7bn, or 7%, over the level recorded in the third quarter of 2008.

Net trading income rose DKr1.8bn in comparison with the figure recorded in the preceding quarter, primarily as a result of the trading activities of Danske Markets.

Excluding the guarantee commission of DKr0.6bn payable to the Danish state, other operating expenses rose 7% over the level at the end of the third quarter. The figure was, however, lower than the figures posted for the first and second quarters.

PROFIT BEFORE TAX (DKr m)	Q4 2008	Q3 2008	Index	Q2 2008	Q1 2008	Q4 2007
Net interest income	7,365	6,739	109	6,665	6,236	6,320
Net fee income	1,944	1,895	103	2,058	2,213	2,330
Net trading income	2,190	368	-	2,160	1,358	1,522
Other income	940	677	139	931	1,037	872
Net income from insurance business	-403	-493	-	-272	-565	180
Total income	12,036	9,186	131	11,542	10,279	11,224
Goodwill impairment charges	3,084	-	-	-	-	-
Operating expenses	6,880	5,829	118	6,610	6,323	6,574
Profit before loan impairment charges	2,072	3,357	62	4,932	3,956	4,650
Loan impairment charges	9,199	1,775	-	572	542	427
Profit before tax	-7,127	1,582	-	4,360	3,414	4,223

The table is based on unaudited figures published in quarterly reports.



BALANCE SHEET

Credit exposure

Excluding repo loans, lending rose DKr84.3bn, or 5%, over the level at the end of 2007. The Group's banking units outside Denmark accounted for 33% of total lending growth.

Excluding the effects of changes in foreign exchange rates – especially the Danish krone against the pound sterling, the Norwegian krone and the Swedish krona – lending grew 10%. Lending to retail customers grew 6% over the level at the end of 2007, while lending to corporate customers rose 13%

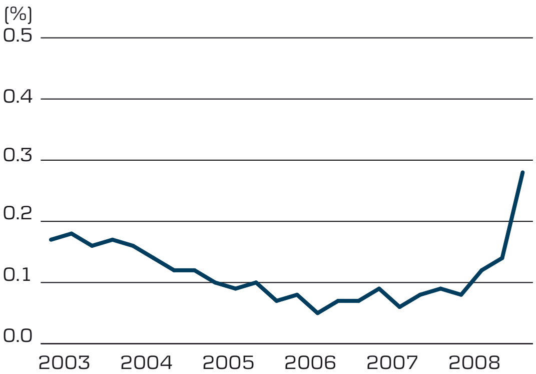
LENDING (END OF YEAR) (DKr m)	2008	2007	Index 08/07
Banking Activities Denmark	1,043,312	985,306	106
Other, Denmark	55,561	56,729	98
Total Denmark	1,098,873	1,042,035	105
Banking Activities Finland	172,617	164,179	105
Banking Activities Sweden	173,732	161,562	108
Banking Activities Norway	141,446	136,346	104
Banking Activities Northern Ireland	53,376	58,803	91
Banking Activities Ireland	79,352	69,433	114
Banking Activities Baltics	30,426	26,875	113
Other, international	35,501	41,766	85
Total international	686,450	658,964	104
Total lending	1,785,323	1,700,999	105

Excluding repo loans, lending at the end of the fourth quarter matched the level at the end of the third quarter of 2008. Measured in local currency, lending to both retail and corporate customers grew 3%.

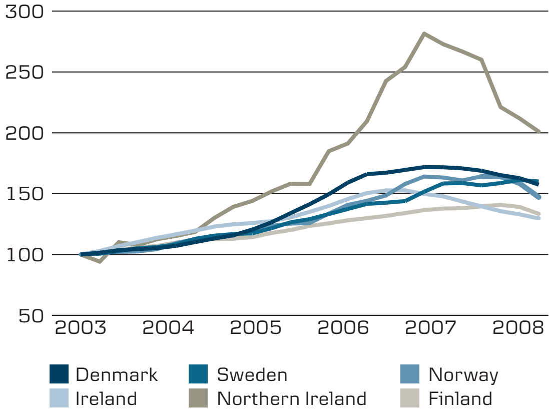
Total credit exposure at the end of 2008 was DKr3,523bn, with DKr2,520bn deriving from lending activities both in and outside Denmark and DKr1,003bn from the Group's trading portfolio of securities and other assets.

The amount of impaired loans rose from DKr10bn at the end of 2007 to DKr33bn at the end of the year. Loans to financial counterparties accounted for around 34% of the rise. Impairment charges against loans to property developers, transporters and shipping companies also added to the amount. After several years of increases, property prices in most of the Group's markets saw actual declines in 2008. The average loan-to-value ratio of the Group's portfolio of home loans was 54% at the end of 2008. The delinquency rate is still very low, and the downturn in the property market did not cause a significant rise in actual losses on home loans, partly because the employment rate remains high.

3-MONTH DELINQUENCY RATE (PAYMENTS) – REALKREDIT DANMARK



HOUSE PRICES
Index 2003=100



The recessionary developments were especially unfavourable in the Group's markets where many industries – and small and medium-sized businesses especially – suffered from market-related factors.

Construction and building activities slowed in most of the Group's markets, especially in Ireland. The transportation and shipping industries both endured falling global demand and a sharp decrease in freight rates over a very short period of time. Credit exposure to the two industries was DKr75bn, or 3.0% of credit exposure relating to lending activities.

The worsening market conditions throughout the year had an adverse effect on the credit quality of some of the Group's exposure. Nevertheless, the overall credit quality is stable owing mainly to highly creditworthy corporate customers, such as public institutions, subsidised housing companies, utilities, energy and health care companies, and to personal customers.

Financial counterparties

Exposure to financials declined DKr173bn in 2008 and totalled DKr634bn, or 25% of credit exposure relating to lending activities, at the end of the year. The fall was due mainly to a decrease in the Group's exposure to the North American and UK markets.

Exposure to backup liquidity facilities also fell and amounted to DKr10bn, or less than 1% of credit exposure relating to lending activities, at the end of 2008. Under the remaining facilities, some DKr10bn was drawn at the end of 2008. The Group expects these facilities to be closed over time as the collateral received matures.

BACKUP LIQUIDITY FACILITIES (DKr bn)	Dec. 31, 2008	Dec. 31, 2007
Total exposure	10	31
Total amount drawn	10	8

The collateral provided consists of UK mortgage bonds and European corporate bonds issued under highly rated ABCP programmes. In addition, a small number of investment vehicles hold assets in the form of US mortgage bonds, including senior tranches of subprime mortgage bonds.

Asset values in the US housing market are extremely volatile and significantly affected by the persistently negative trend in the financial markets. It has become increasingly difficult to accurately measure the value of such assets. Against this background, the Group made collective impairment charges for facilities with financial counterparties since repayment very much depends on the quality of the collateral provided.

In 2008, the Group closed its own investment vehicle, Polonius, without effect on the financial statements or liquidity since Polonius was already included in the consolidated financial statements. The portfolio taken over continues to be of a high quality; all assets are externally rated, with 70% rated AAA, 25% rated AA and 2% rated A.

Deposits and bonds issued by Realkredit Danmark

Deposits at the Group's banking unit in Denmark rose DKr29.4bn, or 6%, while deposits at the banking units outside Denmark saw a fall of DKr27.3bn, or 9%.

Excluding the effects of changes in foreign exchange rates – especially the Danish krone against the pound sterling, the Norwegian krone and the Swedish krona – deposits outside Denmark rose 5% over the level at the end of 2007. Retail deposits grew 4%, while corporate and institutional deposits rose 5%.

The market value of Realkredit Danmark bonds – including bonds held by the Group – issued to fund loans provided by Realkredit Danmark rose 3% over the level at December 31, 2007, and amounted to DKr648bn. In addition, the Group issued covered bonds in the amount of DKr78bn in the course of 2008.

DEPOSITS AND BONDS ISSUED BY REALKREDIT DANMARK (END OF YEAR)

(DKr m)	2008	2007	Index 08/07
Banking Activities Denmark	305,373	299,190	102
Other, Denmark	206,416	183,241	113
Total Denmark	511,789	482,431	106
Banking Activities Finland	90,358	96,515	94
Banking Activities Sweden	56,187	57,368	98
Banking Activities Norway	47,426	57,624	82
Banking Activities Northern Ireland	44,459	56,303	79
Banking Activities Ireland	24,556	23,982	102
Banking Activities Baltics	14,962	11,557	129
Other, international	10,560	12,494	85
Total international	288,508	315,843	91
Total deposits	800,297	798,274	100
Bonds issued by Realkredit Danmark	479,534	518,693	92
Own holdings of Realkredit Danmark bonds	168,197	112,151	150
Total Realkredit Danmark bonds	647,731	630,844	103
Deposits and bonds issued by Realkredit Danmark	1,448,028	1,429,118	101
Lending as % of deposits and bonds issued by Realkredit Danmark	123.3	119.0	

Trading portfolio assets

Trading portfolio assets totalled DKr861bn at the end of 2008, against DKr652bn at the end of 2007. The rise was owing primarily to an increase in the positive fair value of conventional interest rate and currency contracts caused by substantial interest and exchange rate fluctuations. The increase in value was offset by a similar increase in the negative fair value of derivatives recognised as trading portfolio liabilities. The Group has made agreements with many of its counterparties to net positive and negative market values. Most of these net facilities are secured by collateral management agreements.

The Group's holdings of bonds amounted to DKr423bn. Eighty nine per cent of the bonds are recognised at market prices and 9% on the basis of observable market data. At the end of 2007, 97% was recognised at market prices. This trend reflects the liquidity squeeze in the market.

Most of the bonds in the portfolio are Danish mortgage bonds; covered bonds under public supervision, mainly in Sweden, Spain and the UK; and bonds issued by sovereign states or guaranteed by central or local governments. The bond holdings form part of the Group's liquidity reserve, most of which can be refinanced at the Danish central bank.

BOND PORTFOLIO (END OF YEAR) (%)	2008
Bonds guaranteed by central or local governments	16
Bonds issued by quasi-government institutions	2
Danish mortgage bonds	40
Swedish covered bonds	20
Other covered bonds	9
Short-dated bonds (CP etc.) primarily with banks	7
Credit bonds	6
Total holdings	100

Short-term bonds are issued primarily by banks in Finland, Spain, France and Scandinavia. Ninety four per cent of the bonds have an external investment grade rating, and of those, 45% are rated AA- or higher. The remainder are unrated and comprise a number of small holdings of bonds issued by businesses in Scandinavia and Finland.

Six per cent of the holdings are credit bonds consisting of corporate bonds, including bonds issued by banks, and covered bonds not under public supervision. There are no structured issues based on US subprime loans. The majority of issuers are based in Italy, Scandinavia, Ireland, Germany and the US. Ninety five per cent of the bonds have an external investment grade rating, and of those, 38% are rated AA- or higher.

The Group uses Value at Risk (VaR) to manage overall interest rate, exchange rate and equity risks. VaR is a statistical risk measure of the maximum loss the Group can incur over a 10-day horizon at a confidence level of 95%. VaR is calculated on the basis of the prices and rates observed over the past year, with the greatest weighting assigned to the most recent figures.

At the end of 2008, the Group's VaR, excluding insurance activities at Danica Pension, stood at DKr0.5bn, against DKr0.6bn at the end of 2007. For the year as a whole, VaR averaged DKr0.4bn.

Solvency

At the end of 2008, the solvency ratio stood at 13.0%, with 9.2 percentage points deriving from the Group's core (tier 1) capital. At the beginning of the year, the solvency ratio was 12.6% and the core capital ratio was 8.7%.

Financial targets 2012

At the presentation of Annual Report 2007, the Group announced a set of overall financial targets for the period until 2012. The targets were based on explicit assumptions of average per annum GDP growth of at least 2% in the Group's markets and generally well-functioning financial markets. In view of current projections of GDP growth and the situation in the financial markets, the targets no longer apply.

OUTLOOK

The economic recession and the financial turbulence have led to more difficult earnings conditions for the financial sector.

In 2009, the Group will focus on serving the large existing customer base across all its markets.

Danish GDP is likely to contract by around 0.7% in 2009 as is the weighted GDP of the Group's markets. The outlook for Ireland and the Baltic countries is particularly bleak.

Danish interest rates are expected to fall by around one percentage point in the first half of 2009, in line with the average estimates for the Group's other markets.

In recent years, the labour market in Denmark has been very tight. As demand for goods and services slows down, unemployment is likely to rise, although it will probably remain at a relatively low level.

The Group expects the level of loan impairment charges to remain high in 2009, reflecting the general economic climate, although it believes that the turbulent conditions in the fourth quarter of 2008 were extraordinary.

Expenses for the Danish state guarantee scheme and the expected capital injection also reduce the Group's expected earnings for 2009.

The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – will depend greatly on trends in the financial markets, including the level of securities prices at the end of the year.

The year 2009 is likely to be a very challenging year for the financial sector. The Group's robust banking activities, the needed widening of interest margins in 2008, tight cost control and a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

Danske Bank   Sampo Bank   Fokus Bank   Northern Bank   National Irish Bank

BUSINESS UNITS

INCOME (DKr m)	2008	2007	Index 08/07	Share (%) 2008	Share (%) 2007
Banking Activities Denmark	20,993	19,459	108	49	43
Banking Activities Finland	4,708	4,278	110	11	10
Banking Activities Sweden	2,953	2,657	111	7	6
Banking Activities Norway	2,968	2,614	114	7	6
Banking Activities Northern Ireland	2,013	2,417	83	5	5
Banking Activities Ireland	1,515	1,346	113	3	3
Banking Activities Baltics	929	750	124	2	2
Other Banking Activities	1,579	2,315	68	3	5
Total Banking Activities	37,658	35,836	105	87	80
Danske Markets	3,763	5,555	68	9	12
Danske Capital	1,697	1,953	87	4	4
Danica Pension	-1,733	1,118	-	-4	3
Other Activities	1,658	601	276	4	1
Total Group	43,043	45,063	96	100	100

PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKr m)	2008	2007	Index 08/07	Share (%) 2008	Share (%) 2007
Banking Activities Denmark	10,385	10,085	103	72	50
Banking Activities Finland	765	895	85	5	4
Banking Activities Sweden	1,398	1,162	120	10	6
Banking Activities Norway	1,054	996	106	7	5
Banking Activities Northern Ireland	650	309	210	5	1
Banking Activities Ireland	-2,416	216	-	-17	1
Banking Activities Baltics	404	324	125	3	2
Other Banking Activities	370	771	48	3	4
Total Banking Activities	12,610	14,758	85	88	73
Danske Markets	1,233	2,925	42	9	15
Danske Capital	775	1,055	73	5	5
Danica Pension	-1,733	1,118	-	-12	6
Other Activities	1,432	137	-	10	1
Total Group	14,317	19,993	72	100	100

Figures for Banking Activities Finland, Banking Activities Baltics, Danske Markets and Danske Capital include the Sampo Bank group as of February 2007.

Sampo Pank | Danske Banka | Danske Bankas | Danske Markets | Danica Pension

BANKING ACTIVITIES

BANKING ACTIVITIES	Population (millions) 2008	GDP growth (%) 2008	Lending (DKr bn) 2008	Lending (DKr bn) 2007	Market share (%) 2008	Market share (%) 2007	Deposits (DKr bn) 2008	Deposits (DKr bn) 2007	Market share (%) 2008	Market share (%) 2007
Denmark	5.5	-0.8	1,043	985	31	30	305	299	30	30
Finland	5.3	1.8	173	164	14	15	90	97	12	13
Sweden	9.2	0.5	174	162	7	6	56	57	5	5
Norway	4.8	1.5	141	136	6	6	47	58	4	5
Northern Ireland*	1.8	0.7	53	59	-	-	45	56	-	-
Ireland	4.4	-1.5	79	69	5	5	25	24	3	3
Estonia**	1.3	-2.4	16	14	12	11	11	8	15	11
Latvia**	2.3	-2.4	3	2	1	1	1	1	1	1
Lithuania**	3.4	4.0	12	11	7	8	4	3	5	4
Other	-	-	23	34	-	-	4	4	-	-
Total	-	-	1,717	1,636	-	-	588	607	-	-

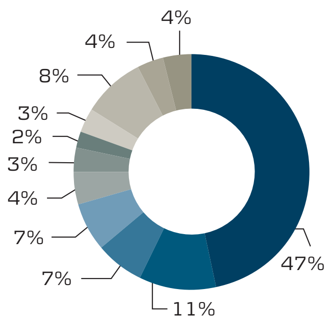
* GDP growth refers to the UK as a whole.
** Together, these activities constitute Banking Activities Baltics.
Note: Market share information is based on data reported to local central banks.

Market position

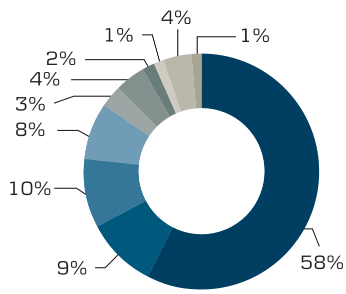
The Danske Bank Group is a market leader in financial services in Denmark and ranks among the largest banks in the Nordic region.

In Finland, Norway, Sweden, Ireland, Estonia and Lithuania, the Group maintained its market shares of both lending and deposits. In Latvia, the activities are limited and the market shares are small.

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



- Banking Activities Denmark
- Banking Activities Finland
- Banking Activities Sweden
- Banking Activities Norway
- Banking Activities Northern Ireland
- Banking Activities Ireland
- Banking Activities Baltics
- Other Banking Activities
- Danske Markets
- Danske Capital
- Other Activities

BANKING ACTIVITIES DENMARK ENCOMPASSES THE BANKING ACTIVITIES OF DANSKE BANK DENMARK AS WELL AS THE ACTIVITIES OF REALKREDIT DANMARK. DANSKE BANK DENMARK CATERS TO ALL TYPES OF RETAIL AND CORPORATE CUSTOMERS. BANKING ACTIVITIES DENMARK'S FINANCE CENTRES SERVE PRIVATE BANKING AND LARGE CORPORATE CUSTOMERS. IN ADDITION, BANKING ACTIVITIES DENMARK HAS SIX AGRICULTURAL CENTRES AND OFFERS A RANGE OF LEASING SOLUTIONS TO THE CORPORATE SEGMENT.

BANKING ACTIVITIES DENMARK

- Profit before loan impairment charges up 3%
- Net interest income up 11%
- Improved lending margins
- Loan impairment charges of DKr4.4bn

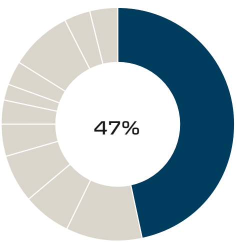
Market conditions

Economic growth slowed down in Denmark in 2008, mainly because of the financial turmoil, a decline in activity in the housing market and lower consumer spending. The slowdown caused a drop in activity after several years of strong growth.

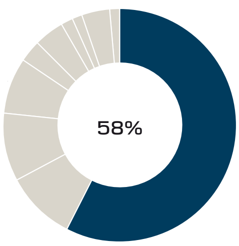
The financial unrest accelerated during the third quarter of 2008, prompting the Danish government to set up a two-year guarantee scheme to protect all deposits and senior debt with Danish banks. Danske Bank chose to participate in the scheme, which took effect on October 5, 2008, and may be extended after the two-year period if it is considered critical in maintaining financial stability.

In spite of financial unrest, lower lending growth, higher interest rates and keener competition for deposits, Danske Bank managed to maintain its strong position in the market.

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



■ Banking Activities Denmark

Danske Leasing became part of Banking Activities Denmark on April 1, 2008. Nordania Leasing's activities within leasing of real property, construction and agricultural machinery, and capital and IT equipment to customers were transferred from Other Banking Activities. Comparative figures have not been restated.

Financial summary

Total income rose 8% over the figure a year ago as a result of higher lending margins, among other things. Moreover, the integration of Danske Leasing activities contributed 3 percentage points.

Excluding the guarantee commission of DKr0.6bn payable to the Danish state, operating expenses grew as estimated by 6%, with 5 percentage points deriving from Danske Leasing activities and the remainder primarily from expenses for the ongoing development of the Group's IT systems for increased digitalisation. Excluding the state guarantee commission, the cost/income ratio improved from 48.2% to 47.6%.

Loan impairment charges amounted to DKr4.4bn, against a net positive entry of DKr0.2bn in 2007. The change was attributable primarily to individual impairment charges for a number of corporate facilities and a provision of DKr0.3bn for the loss guarantee to the Danish state. Realkredit Danmark saw rising impairment charges on corporate loans only, while the delinquency and loss rates for loans granted to home owners remained modest. At the end of December 2008, 1,451 out of a total of nearly 426,000 Realkredit Danmark loans were more than 90 days past due, against 658 at the end of 2007.

Total lending rose 6% over the level a year earlier. Retail lending grew 3%, with most of the rise attributable to home loans. Corporate lending was up 9%.

BANKING ACTIVITIES DENMARK (DKr m)	2008	2007	Index 08/07
Net interest income	15,555	14,043	111
Net fee income	3,839	4,234	91
Net trading income	826	955	86
Other income	773	227	-
Total income	20,993	19,459	108
Integration expenses	55	204	27
Other operating expenses	10,553	9,170	115
Operating expenses	10,608	9,374	113
Profit before loan impairment charges	10,385	10,085	103
Loan impairment charges	4,354	-186	-
Profit before tax	6,031	10,271	59
Loans and advances (end of year)	1,043,312	985,306	106
Deposits (end of year)	305,373	299,190	102
Bonds issued by Realkredit Danmark	647,731	630,844	103
Allocated capital (avg.)	38,656	34,486	112
Profit before loan impairment charges as % of allocated capital	26.9	29.2	
Pre-tax profit as % of allocated capital (ROE)	15.6	29.8	
Cost/income ratio (%)	50.5	48.2	
Cost/income ratio, excluding integration expenses (%)	50.3	47.1	

The presentations of Mortgage Finance and Banking Activities Denmark were merged on January 1, 2008. Comparative figures for 2007 have been restated.

Total deposits increased 2%. Both retail and corporate deposits rose 2%. The market value of mortgage bonds issued to fund loans provided by Realkredit Danmark increased 3%.

Banking Activities Denmark's market share of lending, including mortgage loans, was 30.5% at the end of 2008, against 29.9% at the end of 2007, while its share of deposits was 30.2%, against 29.7%.

Macroeconomic outlook

The downturn in the Danish economy is likely to continue into 2009, and forecasts indicate Danish GDP will contract by around 0.7%.

House prices will most likely also fall in the period until 2010 as a result of the growing number of residential properties put up for sale and a relatively low sales volume in the housing market.

In recent years, the labour market in Denmark has been very tight. As demand for goods and services slows, unemployment is likely to rise.

BANKING ACTIVITIES FINLAND ENCOMPASSES THE BANKING ACTIVITIES OF SAMPO BANK IN FINLAND AND DANSKE BANK'S HELSINKI BRANCH. SAMPO BANK, THE THIRD-LARGEST BANK IN FINLAND, CATERS TO RETAIL CUSTOMERS, SMALL AND MEDIUM-SIZED BUSINESSES AND INSTITUTIONAL CLIENTS.

BANKING ACTIVITIES FINLAND

- Profit before loan impairment charges down 15%
- Net interest income up 19%
- Focus on IT operations and customer service

Market conditions

In 2008, the Finnish economy continued to grow, although at a slower pace as the financial crisis accelerated.

Sampo Bank is the third-largest bank in a market with fierce competition.

The process of converting Sampo Bank to a branch of Danske Bank was postponed. Customers of the Sampo Bank subsidiary thus continue to be covered by the Finnish depositor and investor guarantee scheme.

Financial summary

Total income rose 10% owing primarily to the consolidation of Sampo Bank for an additional month of the year.

The DKr173m decline in net fee income was owing in particular to fee waivers totalling DKr75m in the second and third quarters to compensate for the inconvenience to customers caused by the migration to the Group's shared IT platform.

Two factors accounted for the rise in operating expenses: the consolidation for an additional month and total integration expenses. Since the acquisition, the Group has realised total annualised synergies of DKr332m. As previously announced, the Group expects to realise annual synergies of about DKr600m, with full accounting effect from 2010. Excluding total integration expenses, operating expenses grew 19%, and the cost/income ratio rose from 56.9% to 61.4%.

At the end of 2008, total integration expenses for Sampo Bank equalled the total integration budget of DKr1.6bn, including capitalised development costs of DKr0.6bn.

Loan impairment charges related mainly to corporate facilities.

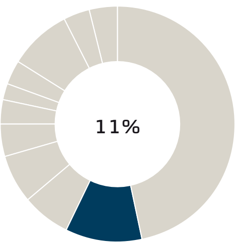
Total lending grew 5%. Retail lending rose 3%, and corporate lending was up 7%. Total deposits declined 6% from the level at December 31, 2007. Retail deposits rose 7%, while corporate deposits fell 17%.

At December 31, 2008, Banking Activities Finland's market share of lending was 13.8%, against 14.5% a year earlier, while its share of deposits was 12.0%, against 12.6%.

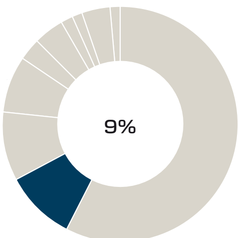
Operations

At Easter 2008, Sampo Bank Finland migrated to the Danske Bank Group's shared IT platform in one of the largest IT projects ever carried out in northern Europe. Operations and customer

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



■ Banking Activities Finland

BANKING ACTIVITIES FINLAND (DKr m)	2008	2007	Index 08/07
Net interest income	3,352	2,822	119
Net fee income	1,037	1,210	86
Net trading income	78	26	300
Other income	241	220	110
Total income	4,708	4,278	110
Amortisation of intangible assets	469	580	81
Integration expenses	582	369	158
Other operating expenses	2,892	2,434	119
Operating expenses	3,943	3,383	117
Profit before loan impairment charges	765	895	85
Loan impairment charges	511	270	189
Profit before tax	254	625	41
Profit before tax in local currency (€)	34	84	40
Loans and advances (end of year)	172,617	164,179	105
Deposits (end of year)	90,358	96,515	94
Allocated capital (avg.)	7,623	7,374	103
Profit before loan impairment charges as % of allocated capital	10.0	13.2	
Pre-tax profit as % of allocated capital (ROE)	3.3	9.2	
Cost/income ratio (%)	83.8	79.1	
Cost/income ratio, excluding total integration expenses (%)	61.4	56.9	

Comparative figures include the Sampo Bank group as of February 2007.

service at Sampo Bank subsequently experienced several challenges in the period until July. The number of customers declined from 1,312,000 at March 31, 2008, to 1,271,000 at the end of the year.

Through a number of initiatives, the Group succeeded in improving Sampo Bank's system stability and functionality in the third quarter. Operations and customer service generally returned to normal levels in the fourth quarter.

Macroeconomic outlook

The financial unrest has already moderated consumer spending, and growth in consumer spending is likely to decline in 2009. Forecasts indicate a contraction of Finnish GDP of about 0.3%.

As demand for goods slows, unemployment is likely to rise.

BANKING ACTIVITIES SWEDEN ENCOMPASSES THE BANKING ACTIVITIES OF ÖSTGÖTA ENSKILDA BANK AND PROVINSBANKERNE IN SWEDEN, WHICH SERVE ALL TYPES OF RETAIL AND CORPORATE CUSTOMERS. REAL-ESTATE AGENCY BUSINESS IS CARRIED OUT PRIMARILY THROUGH THE 75 OFFICES OF SKANDIA MÄKLARNA.

BANKING ACTIVITIES SWEDEN

- Profit before loan impairment charges up 20%
- Good growth and healthy business trend
- Improved cost/income ratio
- Profit before loan impairment charges up 26% in local currency

Market conditions

In Sweden, the favourable economic climate of the past years continued into the first half of 2008. With the decline in global growth, however, the Swedish economy saw a substantial slowdown in the second half of the year. As a result, the market conditions of Banking Activities Sweden deteriorated as funding costs rose and demand for products decreased.

Throughout the year, Banking Activities Sweden increased its business volume and lifted its market shares.

Financial summary

Total income was up 11% owing to larger business volume and increasing customer payment and financing activities. Higher lending margins more than compensated for the pressure caused by the higher funding costs and falling deposit margins.

Operating expenses rose 4% over the level a year ago. The cost/income ratio improved from 56.3% to 52.7%.

Loan impairment charges amounted to DKr520m, against DKr69m in 2007, owing to charges against corporate facilities.

Lending continued to grow in 2008, by 25% in local currency. Retail lending rose 17%, and corporate lending 29%. Corporate lending growth came primarily from large and medium-sized businesses, whereas sales of home financing products boosted lending to retail customers.

Measured in local currency, deposits increased 14%. Corporate deposits rose 12%, and retail deposits 17%. The *Sparkonto XL* deposit account remained popular. At the end of December 2008, this product accounted for 13% of total deposits.

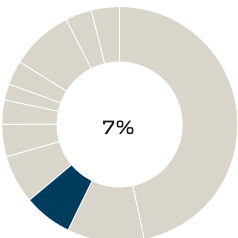
At December 31, 2008, Banking Activities Sweden's market share of lending was 6.6%, against 5.8% a year earlier, while its share of deposits was 4.7%, against 4.5%.

Operations

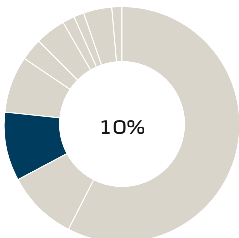
In April, Leif Norburg, then deputy head of Danske Bank Sweden, was appointed head of the Group's operations in Sweden and joined the Executive Committee. Mr Norburg has been with the Group since 1996.

In 2008, Banking Activities Sweden decided to continue the expansion of its branch network, and Västerbottens Provinsbank will open in Umeå in the spring of 2009.

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



Banking Activities Sweden

BANKING ACTIVITIES SWEDEN (DKr m)	2008	2007	Index 08/07
Net interest income	2,120	1,846	115
Net fee income	673	656	103
Net trading income	108	97	111
Other income	52	58	90
Total income	2,953	2,657	111
Operating expenses	1,555	1,495	104
Profit before loan impairment charges	1,398	1,162	120
Loan impairment charges	520	69	-
Profit before tax	878	1,093	80
Profit before tax in local currency (SKr)	1,081	1,357	80
Loans and advances (end of year)	173,732	161,562	108
Deposits (end of year)	56,187	57,368	98
Allocated capital (avg.)	8,440	6,839	123
Profit before loan impairment charges as % of allocated capital	16.6	17.0	
Pre-tax profit as % of allocated capital (ROE)	10.4	16.0	
Cost/income ratio (%)	52.7	56.3	

For the third consecutive year, Danske Bank Sweden was named business bank of the year by Finansbarometern, one of Sweden's largest independent surveys of the Swedish banking market for large corporate customers. The award is based on the results of a survey of customer satisfaction with prices, quality of advisory services, electronic services and the range of products and services. The survey showed that the Danske Bank Group's business model based on community involvement works well.

Macroeconomic outlook

The rise in inflation and the financial unrest will moderate consumer spending in 2009, and the unemployment rate is likely to go up. Forecasts indicate a contraction of Swedish GDP of about 1.7%.

BANKING ACTIVITIES NORWAY ENCOMPASSES THE BANKING ACTIVITIES OF FOKUS BANK IN NORWAY, WHICH SERVES ALL TYPES OF RETAIL AND CORPORATE CUSTOMERS. REAL-ESTATE AGENCY BUSINESS IS CARRIED OUT THROUGH THE 40 OFFICES OF FOKUS KROGSVEEN.

BANKING ACTIVITIES NORWAY

- Profit before loan impairment charges up 6%
- Goodwill impairment charge against the Krogsveen real-estate agency chain
- Excluding the goodwill impairment charge, the cost/income ratio improved

Market conditions

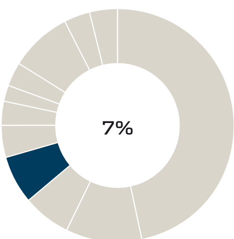
In 2008, the slowdown in Norwegian economic growth became more pronounced. The lower growth rate combined with the unrest in the financial markets drove up funding costs and generally reduced demand for the bank's products.

Banking Activities Norway managed to increase its market share of lending in 2008.

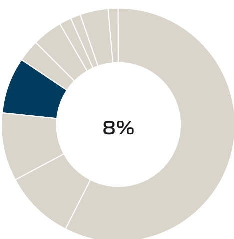
Financial summary

Total income rose 14% on a good inflow of customers, increased lending to the corporate segment, a repricing of the existing loan portfolio and wider deposit margins. The transfer on April 1 of the activities of Fokus Leasing to Banking Activities Norway contributed to the upward trend.

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



Banking Activities Norway

Unfavourable trends in the Norwegian property market caused a goodwill impairment charge of DKr141m against Krogsveen, the Group's chain of real-estate agencies in Norway.

The rise in other operating expenses was due primarily to a higher level of activities and the transfer of Fokus Leasing's business. The increase in income led to an improvement of the cost/income ratio, excluding the goodwill impairment charge, from 61.9% in 2007 to 59.7% in 2008.

Loan impairment charges amounted to DKr489m, against DKr53m in 2007, owing to charges against corporate facilities.

Measured in local currency, lending rose 28% over the level a year ago. Retail lending grew 7% in local currency, and corporate lending 43%. Also in local currency, total deposits rose 2% compared with the figure a year ago. Retail deposits rose 6%, while corporate deposits matched the level in 2007.

At December 31, 2008, Banking Activities Norway's market share of lending was 6.4%, against 6.0% a year earlier, while its share of deposits was 4.4%, against 5.0%.

Operations

In January, Banking Activities Norway launched its no-fee 24/7 personal banking package, which was met with enthusiasm in the media and among customers. The launch of the package evidenced Banking Activities Norway's competitive strength as a market challenger.

BANKING ACTIVITIES NORWAY (DKr m)	2008	2007	Index 08/07
Net interest income	2,095	1,698	123
Net fee income	394	461	85
Net trading income	152	147	103
Other income	327	308	106
Total income	2,968	2,614	114
Goodwill impairment charge	141	-	-
Other operating expenses	1,773	1,618	110
Operating expenses	1,914	1,618	118
Profit before loan impairment charges	1,054	996	106
Loan impairment charges	489	53	-
Profit before tax	565	943	60
Profit before tax in local currency (NKr)	498	1,011	49
Loans and advances (end of year)	141,446	136,346	104
Deposits (end of year)	47,426	57,624	82
Allocated capital (avg.)	7,447	5,396	138
Profit before loan impairment charges as % of allocated capital	14.2	18.5	
Pre-tax profit as % of allocated capital (ROE)	7.6	17.5	
Cost/income ratio (%)	64.5	61.9	
Cost/income ratio, excluding goodwill impairment charge (%)	59.7	61.9	

Macroeconomic outlook

The Group expects the slowdown in the Norwegian economy and the financial turmoil to continue into 2009. Forecasts indicate a contraction of Norwegian GDP of about 0.5%.

Residential construction activity will probably decrease, and the demand for goods will decline significantly. Lower house prices and a rise in the number of days properties for sale are on the market are likely to squeeze the housing market even further.

BRANCHES
89

EMPLOYEES
1,336

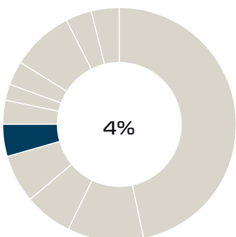
PRE-TAX PROFIT
DKr9m

BANKING ACTIVITIES NORTHERN IRELAND ENCOMPASSES THE BANKING ACTIVITIES OF NORTHERN BANK, WHICH SERVES BOTH RETAIL AND CORPORATE CUSTOMERS.

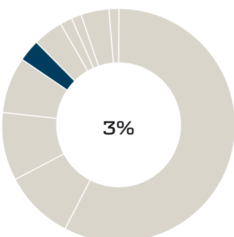
BANKING ACTIVITIES NORTHERN IRELAND

- Profit before loan impairment charges more than doubled
- Lending up 12% in local currency
- Profit before loan impairment charges up 154% in local currency

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



Banking Activities Northern Ireland

Market conditions

Economic growth in Northern Ireland slowed in 2008, mainly as a result of the financial turmoil, declining activity in the housing market and generally lower demand.

In 2008, Northern Bank strengthened its position as a leading bank in Northern Ireland.

Financial summary

Total income fell 17% from the level a year earlier. Income was affected by the difficult market conditions in 2008 and the trend in the pound sterling exchange rate.

Measured in local currency, net interest income fell 3%, partly because of intense price competition among lenders and declining interest rates. The lending margin widened in the fourth quarter.

Net fee income was down 13% in local currency owing to a lower level of activity in 2008.

Loan impairment charges were DKr641m, against DKr31m a year earlier. The change was attributable to individual charges against a number of corporate facilities in the property segment in particular and a collective impairment charge in the same segment.

Taking loans to and deposits from the public sector into account, lending rose 12% over the level at December 31, 2007, while deposits declined 2% measured in local currency.

BANKING ACTIVITIES NORTHERN IRELAND (DKr m)	2008	2007	Index 08/07
Net interest income	1,508	1,802	84
Net fee income	362	491	74
Net trading income	124	109	114
Other income	19	15	127
Total income	2,013	2,417	83
Amortisation of intangible assets	65	419	16
Integration expenses	69	278	25
Other operating expenses	1,229	1,411	87
Operating expenses	1,363	2,108	65
Profit before loan impairment charges	650	309	210
Loan impairment charges	641	31	-
Profit before tax	9	278	3
Profit before tax in local currency (£)	-12	24	-
Loans and advances (end of year)	53,376	58,803	91
Deposits (end of year)	44,459	56,303	79
Allocated capital (avg.)	2,449	2,480	99
Profit before loan impairment charges as % of allocated capital	26.5	12.5	
Pre-tax profit as % of allocated capital (ROE)	0.4	11.2	
Cost/income ratio (%)	67.7	87.2	
Cost/income ratio, excluding total integration expenses (%)	61.1	58.4	

Operations

In July, Don Price retired from his position as chief executive officer of Northern Bank. He was replaced by Gerry Mallon, who also took over his seat on the Group's Executive Committee.

Macroeconomic outlook

The Group expects the economy (GDP) in Northern Ireland to contract by about 0.5% in 2009. Declining house prices and a rise in the number of days properties for sale are on the market are likely to squeeze the housing market even further.

BRANCHES 61

EMPLOYEES 645

PRE-TAX PROFIT DKr-4,116m

MARKET SHARE OF LENDING 4.8%

BANKING ACTIVITIES IRELAND ENCOMPASSES THE BANKING ACTIVITIES OF NATIONAL IRISH BANK, WHICH CATERS TO BOTH RETAIL AND CORPORATE CUSTOMERS.

BANKING ACTIVITIES IRELAND

- Profit before loan and goodwill impairment charges up DKr308m
- Loan impairment charges of DKr1.7bn
- Goodwill impairment charge of DKr2.9bn

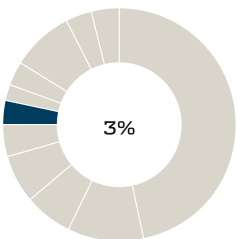
Market conditions

Ireland's economy deteriorated throughout 2008, taking a sharp turn for the worse in the fourth quarter, with a falling GDP, declining house prices and rising unemployment. Until the autumn of 2008, National Irish Bank's financial performance had matched expectations upon the acquisition in 2005.

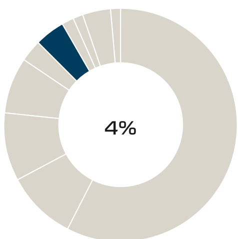
In view of the sharp slowdown in the Irish economy, forecasts now call for significantly lower growth and a period of higher loan impairment charges. The revised earnings estimate therefore led to a goodwill impairment charge against National Irish Bank of DKr2.9bn.

The sudden halt in the economy, particularly within the property segment, also caused loan impairment charges to escalate sharply.

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



Banking Activities Ireland

Financial summary

Total income grew 13%. Growth in both deposits and lending and wider lending margins more than compensated for higher funding costs, lower fee income and the keen competition in the Irish market that caused a further narrowing of deposit margins.

Other operating expenses rose 8% owing to the expansion of the branch network and a higher level of activity. The cost/income ratio, excluding total integration expenses and the goodwill impairment charge, improved from 64.9% to 62.2%.

Loan impairment charges amounted to DKr1,700m, against DKr117m a year earlier. This increase was caused primarily by higher individual charges against commercial property facilities and collective impairment charges totalling about DKr263m within, for example, the commercial property and contracting segments.

Because of the challenges within the credit area, particularly in relation to the property sector, National Irish Bank reorganised and strengthened its credit department with additional experienced resources.

Lending rose 14% above the figure at December 31, 2007. Retail lending was up 15% owing mainly to a larger volume of home loans with a low loan-to-value ratio. Lending to corporate customers grew 14%.

Deposits grew 2%. Retail deposits were down 3%, while corporate deposits grew 10%. At December 31, 2008, the market shares of lending and deposits of Banking Activities Ireland were 4.8% and 3.1%, respectively, against 4.8% and 3.3% a year earlier.

BANKING ACTIVITIES IRELAND (DKr m)	2008	2007	Index 08/07
Net interest income	1,284	1,085	118
Net fee income	160	182	88
Net trading income	62	67	93
Other income	9	12	75
Total income	1,515	1,346	113
Goodwill impairment charge	2,940	-	-
Amortisation of intangible assets	17	102	17
Integration expenses	31	155	20
Other operating expenses	943	873	108
Operating expenses	3,931	1,130	-
Profit before loan impairment charges	-2,416	216	-
Loan impairment charges	1,700	117	-
Profit before tax	-4,116	99	-
Profit before tax in local currency (€)	-552	13	-
Loans and advances (end of year)	79,352	69,433	114
Deposits (end of year)	24,556	23,982	102
Allocated capital (avg.)	3,190	2,984	107
Profit before loan impairment charges as % of allocated capital	-75.7	7.2	
Pre-tax profit as % of allocated capital (ROE)	-129.0	3.3	
Cost/income ratio, excluding goodwill impairment charge (%)	65.4	84.0	
Cost/income ratio, excluding total integration expenses and goodwill impairment charge (%)	62.2	64.9	

Operations

National Irish Bank opened two new branches in 2008 and merged five existing branches with neighbouring branches. The Group does not plan to open additional branches.

Macroeconomic outlook

Forecasts indicate a contraction of Irish GDP of around 2.8% in 2009. The Group expects loan impairment charges to be relatively high owing to the bleak macroeconomic outlook, including a depressed housing market with falling house prices.

BANKING ACTIVITIES BALTICS ENCOMPASSES THE GROUP'S BANKING ACTIVITIES IN ESTONIA, LATVIA AND LITHUANIA AND SERVES BOTH RETAIL AND CORPORATE CUSTOMERS.

BANKING ACTIVITIES BALTICS

- Profit before loan impairment charges up 25%
- Deposits and lending up 29% and 13%, respectively
- Improved cost/income ratio

Market conditions

The Estonian and Latvian economies saw significantly reduced growth and went into recession in 2008. Both countries experienced a considerable slowdown in the housing market and generally lower demand for banking products. The Lithuanian economy also slowed down in 2008, but not to the same extent as the economies of Estonia and Latvia.

The Group increased its business volume in Estonia and Lithuania throughout 2008. Its activities in Latvia are modest.

Financial summary

The consolidation of the Sampo Bank group for an additional month caused both income and expenses to increase.

Net interest income rose 19% as a result of healthy lending growth and wider margins.

Income from payment services and trade in foreign exchange products rose as a result of increased customer activity, lifting total income 24%.

Increasing activity and integration expenses led to a 23% rise in operating expenses.

In the third quarter of 2008, on the basis of a cost analysis, the Group decided to discontinue the migration of Banking Activities Baltics to its shared IT platform. But this will not stop future investments in the Baltic banks and their IT departments and local IT systems. The Group will also continue the business integration of the banks and will market Danske Bank products where relevant.

Loan impairment charges amounted to DKr295m, against DKr54m a year earlier. The rise was attributable primarily to charges against corporate facilities and collective charges against transporters and property developers in particular.

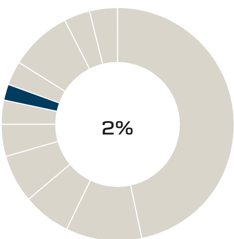
Total lending grew 13%. Lending to retail and corporate customers rose 16% and 10%, respectively. Deposits grew 29%. Retail deposits were up 48%, and corporate deposits rose 23%.

Conversion into branches

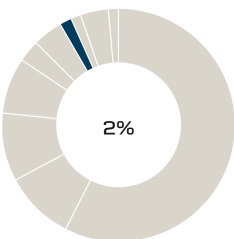
In June 2008, the Group rebranded its three Baltic subsidiaries and converted them into branches of Danske Bank A/S.

The Group's bank in Estonia has kept the name Sampo Pank, which is a strong and well-established local brand. In Lithuania, Sampo Bankas changed its name to Danske Bankas. The Group's smallest unit in the Baltic countries, Sampo Banka in Latvia, was renamed Danske Banka. All of the three Baltic banks adopted the Danske Bank Group's blue and white corporate identity.

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



Banking Activities Baltics

BANKING ACTIVITIES BALTICS (DKr m)	2008	2007	Index 08/07
Net interest income	638	537	119
Net fee income	162	132	123
Net trading income	109	66	165
Other income	20	15	133
Total income	929	750	124
Integration expenses	37	5	-
Other operating expenses	488	421	116
Operating expenses	525	426	123
Profit before loan impairment charges	404	324	125
Loan impairment charges	295	54	-
Profit before tax	109	270	40
Loans and advances (end of year)	30,426	26,875	113
Deposits (end of year)	14,962	11,557	129
Allocated capital (avg.)	1,493	1,223	122
Profit before loan impairment charges as % of allocated capital	27.1	28.9	
Pre-tax profit as % of allocated capital (ROE)	7.3	24.1	
Cost/income ratio (%)	56.5	56.8	
Cost/income ratio, excluding integration expenses (%)	52.5	56.1	

PROFIT BEFORE TAX (DKr m)	2008	2007	Index 08/07
Estonia	220	214	103
Latvia	-47	2	-
Lithuania	-64	54	-
Total Banking Activities Baltics	109	270	40

Comparative figures include the Sampo Bank group as of February 2007.

Macroeconomic outlook

Forecasts indicate a contraction of the Baltic economies (GDP) of around 3.9% in 2009.

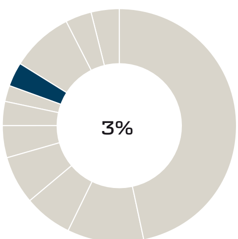
The financial unrest is likely to hurt Estonia, Latvia and Lithuania seriously in 2009, affecting both growth and demand. All of the three Baltic economies are very unbalanced, making it difficult to carry out economic adjustments and worsening the economic outlook.

OTHER BANKING ACTIVITIES ENCOMPASSES THE ACTIVITIES OF NORDANIA LEASING AND THE GROUP'S BANKING ACTIVITIES IN GERMANY AND POLAND. THE ACTIVITIES OF NORDANIA LEASING PRIMARILY INCLUDE CAR AND TRUCK LEASING SOLUTIONS AS WELL AS FLEET MANAGEMENT.

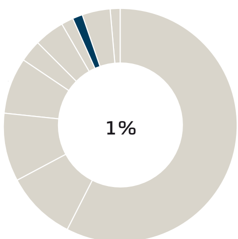
OTHER BANKING ACTIVITIES

- Profit before loan impairment charges down 52%
- Lower earnings on sales of lease assets

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



Other Banking Activities

Market conditions

In 2008, Nordania Leasing felt the impact of the slowdown in the Danish economy caused by the financial turbulence.

The German economy performed well during the first half of the year, but the second half was characterised by lower growth.

After several years of good growth, Poland's economy came to a sudden halt owing to the financial unrest, with lower growth in exports and reduced domestic demand.

Financial summary

The pre-tax profit of Nordania fell DKr468m to DKr4m. On April 1, 2008, Banking Activities Denmark and, to some extent, Banking Activities Norway took over the activities of Nordania Leasing within real property, construction and agricultural machinery, and capital and IT equipment. This lifted profit before tax by DKr38m. Lower earnings on sales of lease assets, along with higher expenses and increased impairment charges against lease equipment and loans, contributed to the decline.

At Banking Activities Germany, profit before tax rose DKr300m owing primarily to the reversal of one large loan impairment charge.

Profit before tax at Banking Activities Poland grew DKr11m. The rise was owing primarily to an increase in net interest income resulting from high lending growth.

Altogether, operating expenses at Other Banking Activities improved 22%, mainly because of the transfer of Nordania Leasing activities.

OTHER BANKING ACTIVITIES (DKr m)	2008	2007	Index 08/07
Net interest income	369	481	77
Net fee income	73	101	72
Net trading income	45	64	70
Other income	1,092	1,669	65
Total income	1,579	2,315	68
Operating expenses	1,209	1,544	78
Profit before loan impairment charges	370	771	48
Loan impairment charges	22	266	8
Profit before tax	348	505	69
Loans and advances (end of year)	22,867	34,398	66
Deposits (end of year)	4,269	4,474	95
Allocated capital (avg.)	1,837	2,272	81
Profit before loan impairment charges as % of allocated capital	20.1	33.9	
Pre-tax profit as % of allocated capital (ROE)	18.9	22.2	
Cost/income ratio (%)	76.6	66.7	

PROFIT BEFORE TAX (DKr m)	2008	2007	Index 08/07
Nordania Leasing	4	472	1
Banking Activities Germany	263	-37	-
Banking Activities Poland	81	70	116
Total Other Banking Activities	348	505	69

Macroeconomic outlook

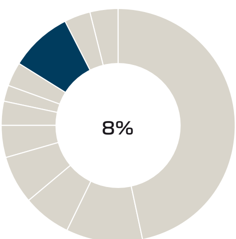
Forecasts indicate a contraction of German GDP, while Poland's growth rate is likely to remain positive.

DANSKE MARKETS IS RESPONSIBLE FOR THE GROUP'S ACTIVITIES IN THE FINANCIAL MARKETS. TRADING ACTIVITIES INCLUDE TRADING IN FIXED INCOME PRODUCTS, FOREIGN EXCHANGE, EQUITIES AND INTEREST-BEARING SECURITIES; PROVIDING THE LARGEST CORPORATE CUSTOMERS AND INSTITUTIONAL CLIENTS WITH FINANCIAL PRODUCTS AND ADVISORY SERVICES ON MERGERS AND ACQUISITIONS; AND ASSISTING CUSTOMERS WITH EQUITY AND DEBT ISSUES ON THE INTERNATIONAL FINANCIAL MARKETS. PROPRIETARY TRADING ENCOMPASSES THE BANK'S SHORT-TERM INVESTMENTS. THE INVESTMENT PORTFOLIO COVERS THE BANK'S STRATEGIC FIXED INCOME, FOREIGN EXCHANGE AND EQUITY PORTFOLIOS. INSTITUTIONAL BANKING INCLUDES FACILITIES WITH INTERNATIONAL FINANCIAL INSTITUTIONS OUTSIDE THE NORDIC REGION. FACILITIES WITH NORDIC FINANCIAL INSTITUTIONS FORM PART OF THE GROUP'S BANKING ACTIVITIES.

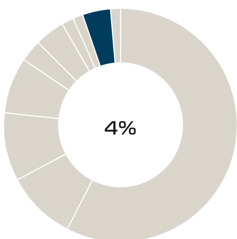
DANSKE MARKETS

- Extremely volatile markets
- Profit before loan impairment charges down 58%
- Satisfactory results for trading activities on the strength of customer-driven activity in exceptionally difficult markets

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



■ Danske Markets

Market conditions

The fixed income and capital markets were tremendously turbulent in 2008. The financial crisis deepened in the second half of the year, leading to stronger demand for government bonds and a widening of credit spreads between government bonds on the one hand and mortgage bonds and other highly-rated bonds on the other. In the Group's opinion, the widening of credit spreads could not be fully explained by the trend in underlying credit quality.

The trend in money market rates made funding more expensive. The Group's large holdings of short- and long-term mortgage bonds and other bonds also saw price declines as a result of market trends.

Financial summary

The result after loan impairment charges was a loss of DKr2.0bn, against a profit of DKr2.9bn in 2007. The loss was caused by a number of individual and collective impairment charges against financial counterparties in the second half of the year. These charges totalled DKr3.2bn.

On October 1, 2008, in response to significant price distortions in certain bond markets, the Group decided to apply the IAS 39 reclassification option. It reclassified DKr117bn worth of bonds in the trading portfolio as available-for-sale financial assets. In the fourth quarter, these bonds registered an unrealised capital loss of DKr1.9bn that was charged directly to shareholders' equity.

Net income from Group Treasury and Proprietary trading in particular suffered under the very difficult market conditions and was highly unsatisfactory, declining DKr4.6bn from the level in 2007.

DANSKE MARKETS (DKr m)	2008	2007	Index 08/07
Total income	3,763	5,555	68
Operating expenses	2,530	2,630	96
Profit before loan impairment charges	1,233	2,925	42
Loan impairment charges	3,237	15	-
Profit before tax	-2,004	2,910	-
Loans and advances (end of year)	71,357	61,127	117
Deposits (end of year)	207,524	182,081	114
Net trading and investment portfolio	499,560	382,624	131
Allocated capital (avg.)	2,987	1,593	187
Profit before loan impairment charges as % of allocated capital	41.3	183.6	
Pre-tax profit as % of allocated capital (ROE)	-67.1	182.7	
Cost/income ratio (%)	67.2	47.3	

TOTAL INCOME (DKr m)	2008	2007	Index 08/07
Trading activities	7,361	4,419	167
Proprietary trading	-1,545	429	-
Group Treasury	-2,451	189	-
Institutional banking	398	518	77
Total Danske Markets	3,763	5,555	68

Comparative figures include the Sampo Bank group as of February 2007.

Revenue from capital market products lifted income from trading activities a very satisfactory 67%, from DKr4.4bn in 2007 to DKr7.4bn in 2008.

The trading and investment portfolio rose to DKr500bn at the end of 2008 from DKr383bn a year earlier owing in particular to developments in the market prices of fixed income derivatives.

Market outlook

The fixed income and equity markets are likely to remain very volatile in 2009.

EMPLOYEES
583

PRE-TAX PROFIT
DKr456m

MARKET SHARE IN THE NORDIC REGION
13%

DANSKE CAPITAL DEVELOPS AND SELLS WEALTH MANAGEMENT PRODUCTS AND SERVICES THAT ARE OFFERED THROUGH THE GROUP'S BANKING ACTIVITIES AND DIRECTLY TO BUSINESSES, INSTITUTIONAL CLIENTS AND EXTERNAL DISTRIBUTORS. DANSKE CAPITAL SUPPORTS THE ADVISORY AND ASSET MANAGEMENT ACTIVITIES OF THE GROUP'S BANKING ACTIVITIES AND, THROUGH DANSKE BANK INTERNATIONAL IN LUXEMBOURG, DANSKE CAPITAL PROVIDES INTERNATIONAL PRIVATE BANKING SERVICES TO CLIENTS OUTSIDE THE GROUP'S HOME MARKETS. DANSKE CAPITAL IS REPRESENTED IN DENMARK, SWEDEN, NORWAY, FINLAND, ESTONIA, LITHUANIA AND LUXEMBOURG.

DANSKE CAPITAL

- Income base suffered from the financial unrest
- Profit before loan impairment charges down 27%

Market conditions

The turmoil in the financial markets affected all units of Danske Capital.

Danske Capital strengthened its position on the Nordic asset management market.

Financial summary

Net sales were a negative DKr13.2bn, with negative sales of products managed by Danske Capital's Asset Management unit of DKr12.2bn and negative sales of investment products offered by external providers of DKr1.0bn.

The Asset Management unit's net sales of a negative DKr12.2bn consisted of net sales to institutional clients of DKr8.2bn and net sales to retail customers of a negative DKr20.4bn.

Danske Capital's income fell 13%, with the Asset Management unit accounting for 23% of the decline. Danske Bank International, Luxembourg (DBI), on the other hand, contributed an 8% rise to Danske Capital's income.

The main reason for the fall in income was the turmoil in the capital markets that led to an 18% decline in assets under management. In addition, income as a percentage of assets under management fell slightly because the proportion of equities decreased. Lower trading volume also reduced income from trading activities.

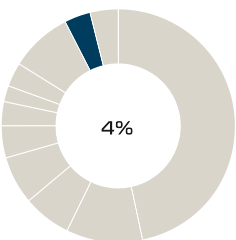
Operating expenses rose 3%. The increase was owing to the consolidation of Sampo Bank for an additional month, a DKr13m expense for DBI's relocation to new premises and the consolidation of the investment management company Danske Invest Management A/S in May 2008. Excluding these items, operating expenses improved 8% from the figure a year ago.

Loan impairment charges consist of individual charges.

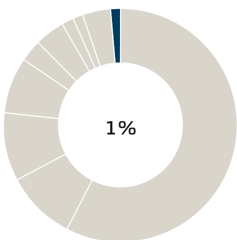
In 2008, the unit trust business posted above-benchmark returns in 49% of the funds marketed in Denmark and internationally. Of equity-based funds, 66% saw above-benchmark returns, while returns in bond-based funds were generally below benchmark.

Danske Capital's market share of unit trust business in the Nordic countries was 13% at the end of 2008. Denmark and Finland remained Danske Capital's most important markets, with market shares of 27% and 18%, respectively. Its market share of unit trusts – retail in Denmark was 36%.

INCOME – % OF GROUP TOTAL



LENDING – % OF GROUP TOTAL



Danske Capital

DANSKE CAPITAL

(DKr m)	2008	2007	Index
Total income	1,697	1,953	87
Amortisation of intangible assets	38	34	112
Other operating expenses	884	864	102
Operating expenses	922	898	103
Profit before loan impairment charges	775	1,055	73
Loan impairment charges	319	-2	-
Profit before tax	456	1,057	43
Loans and advances (end of year)	22,306	27,197	82
Deposits (end of year)	7,276	8,836	82
Allocated capital (avg.)	750	731	103
Cost/income ratio (%)	54.3	46.0	
Cost/income ratio, excluding amortisation of intangible assets (%)	52.1	44.2	
Assets under management (DKr bn)	513	623	82

Comparative figures include the Sampo Bank group as of February 2007.

In May 2008, the Danske Bank Group acquired the shares in the investment management company Danske Invest Administration A/S. This company is to serve as the driver of the growth of Danske Capital's fund distribution activities. In November 2008, the company changed its name to Danske Invest Management A/S.

Market outlook

As capital markets are apt to remain turbulent, income from assets under management is likely to remain under pressure in 2009.

ASSETS UNDER MANAGEMENT

	(DKr bn) 2008	(DKr bn) 2007	Share (%) 2008	Share (%) 2007
Equities	98	194	19	31
Private equity	14	11	3	2
Bonds	389	410	76	66
Cash	12	8	2	1
Total	513	623	100	100

BREAKDOWN BY INVESTOR

	(DKr bn) 2008	(DKr bn) 2007	Share (%) 2008	Share (%) 2007
Life insurance	212	242	41	39
Unit trusts - retail	130	197	25	32
Pooled schemes	38	46	8	7
Institutions, including unit trusts	133	138	26	22
Total	513	623	100	100

EMPLOYEES
959

NET INCOME
DKr-1,733m

TOTAL PREMIUMS
DKr21,879m

DANICA PENSION ENCOMPASSES THE DANSKE BANK GROUP'S ACTIVITIES IN THE LIFE INSURANCE AND PENSIONS MARKET. DANICA PENSION TARGETS BOTH PERSONAL 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 INSURANCE BROKERS AND ADVISERS. DANICA OFFERS TWO MARKET-BASED PRODUCTS, DANICA BALANCE AND DANICA LINK. THESE PRODUCTS ALLOW CUSTOMERS TO SELECT THEIR OWN INVESTMENT PROFILE, AND THE RETURN ON SAVINGS DEPENDS ON MARKET TRENDS. FURTHERMORE, DANICA PENSION OFFERS DANICA TRADITIONEL. THIS PRODUCT DOES NOT OFFER INDIVIDUAL INVESTMENT PROFILES, AND DANICA PENSION SETS THE RATE OF INTEREST ON POLICYHOLDERS' SAVINGS.

DANICA PENSION

- Negative net income of DKr1.7bn
- Income down DKr2.8bn, and booking of risk allowance postponed
- Premiums up 16%
- Negative return on *Danica Traditionel* investments of 1.2%

The financial unrest had an adverse effect on Danica Pension's 2008 result. The underlying business trend showed a 9% rise in premiums for market-based products in Denmark and a 6% increase in premiums for *Danica Traditionel*. Total premiums, including premiums for investment contracts, rose DKr3.0bn, or 16%, to DKr21.9bn.

Market-based products accounted for DKr10.7bn, or 52%, of life-insurance premiums. Regular premiums for market-based products in Denmark rose 18%. At the end of the year, nearly 119,000 customers had opted for market-based products.

Market conditions

In 2008, investment returns were negative because of the financial crisis. Several pension companies found that their collective bonus potential had been exhausted and introduced a temporary charge on transfer and surrender. Danica Pension introduced such a charge on October 28.

On October 31, the Danish Ministry of Economic and Business Affairs and the Danish Insurance Association signed an agreement on financial stability in the pension and insurance industry. Under the agreement, pension and insurance companies may temporarily adjust the discount rate (yield curve) used for calculating the value of technical provisions. This adjustment of the yield curve reduced technical provisions by DKr1.1bn at the end of 2008.

In 2008, Danica Pension maintained its position as one of the leading life insurers and pension providers on the Danish market. Danica Pension is also one of Denmark's largest providers of health insurance products.

In 2008, Danica Pension launched improved options under its Danica Balance product and took steps to become more open and transparent for its customers. Danica Pension also adopted the Danske Bank Group's socially responsible investment (SRI) policy.

Income

Net income from insurance business fell from DKr1.1bn in 2007 to a loss of DKr1.7bn in 2008. The decline was due partly to a negative return on equity caused by the fall in equity prices and partly to a negative return of 1.2% on customer funds under *Danica Traditionel*. Because of the loss, it was not possible to book the risk allowance.

The risk allowance, which is calculated as a share of technical provisions, amounted to DKr1.1bn in 2008 and was transferred to the shadow account. It may be booked at a later date when the return on investments and the bonus potential of paid-up policies permit.

Unit-linked business decreased slightly from the 2007 result because of the establishment of activities in the Irish market.

The health and accident result remained negative. The claims ratio continued to be unsatisfactory, and the combined ratio was 114%. Danica Pension introduced a rise in the premiums for its health insurance and critical illness products effective from 2009.

For more details about Danica Pension's profit policy and consolidation in the accounts of the Danske Bank Group, go to www.danskebank.com/ir.

DANICA PENSION (DKr m)	2008	2007	Index 08/07
Share of technical provisions	1,088	1,040	105
Unit-linked business	-21	6	-
Health and accident business	-142	-112	-
Return on investments	-961	710	-
Financing result	-609	-526	-
Postponed risk allowance	-1,088	-	-
Net income from insurance business	-1,733	1,118	-
Premiums, insurance contracts	19,292	17,135	113
Premiums, investment contracts	2,587	1,805	143
Provisions, insurance contracts	204,123	212,536	96
Provisions, investment contracts	8,464	9,978	85
Customer funds, investment securities			
Danica Traditionel	175,778	181,191	97
Danica Balance	7,583	5,717	133
Danica Link	20,895	24,370	86
Allocated capital (avg.)	5,245	4,885	107
Net income as % of allocated capital	-33.0	22.9	

Activities outside Denmark

In Sweden, Danica Pension recorded an 83% rise in premiums over the level in 2007, with the new *Depåförsäkring* product contributing DKr1,221m to this growth. In Norway, premiums rose 10% to DKr614m. In July, Danica Pension began selling life insurance policies in Ireland through Banking Activities Ireland. Sales were modest, however.

Investment return

Danica Balance customers with a small proportion of equities in their investment portfolios saw a negative return of 28.9%, against a positive 2.8% in 2007. *Danica Link* customers who chose *Danica Valg* with a medium risk profile recorded a negative return of 24.4%, against a positive 2.3% in 2007.

The return on customer funds invested through *Danica Traditionel* was a negative 1.2% in 2008, against a positive 1.1% a year ago. Taking into account the change in technical provisions caused by falling interest rates, the return was a negative 4.1%. During 2008, Danica Pension reduced its equity exposure to 7% of total assets. The holding of mortgage bonds accounted for 10% of total assets at the end of 2008.

CUSTOMER FUNDS – DANICA TRADITIONEL Holdings and returns	Share % 2008	Share % 2007	Return % 2008	Return % 2007
Real property	10	10	7.1	10.9
Bonds etc.	83	66	6.9	-1.8
Equities	7	24	-40.0	5.7
Total	100	100	-1.2	1.1

In view of the financial turbulence and the risk policy chosen, the Group considers the investment return satisfactory.

Financial strength

At the end of 2008, the collective bonus potential, which relates to a defined, small portion of policies, amounted to DKr1.6bn, against DKr13.5bn at end-2007.

The decline in the collective bonus potential caused Danica Pension to introduce a special temporary 5% charge on October 28 payable by *Danica Traditionel* customers who want to transfer or surrender their pension scheme before the agreed time of disbursement. Danica Pension introduced the charge to avoid disadvantaging its remaining customers with *Danica Traditionel* schemes.

If, in a given year, the investment return on *Danica Traditionel* is inadequate to cover guaranteed benefits and any necessary strengthening of life insurance provisions and other obligations, the shortfall is covered first by the collective bonus potential and then by the bonus potential of paid-up policies before it is charged to the result. Consequently, DKr2.8bn was drawn from the bonus potential of paid-up policies, and at the end of 2008, the remaining bonus potential was DKr10.9bn.

In 2008, Standard & Poor's confirmed Danica Pension's AA- rating, but changed the outlook from stable to negative. Danica Pension is still among the highest-rated pension companies in the Nordic region, however. The excess capital base amounted to DKr11.6bn at the end of 2008, against DKr12.8bn a year earlier, and Danica Pension's financial strength remains good.

Sensitivity

A 12% fall in equity prices would reduce the collective bonus potential by DKr0.1bn, the bonus potential of paid-up policies by DKr0.6bn and shareholders' equity by DKr0.7bn. A decline in interest rates of 70 basis points would increase the collective bonus potential by DKr0.4bn, shareholders' equity by DKr0.1bn and reduce the bonus potential of paid-up policies by DKr3.4bn.

Outlook for 2009

Premium income will continue to increase, although at a slower pace.

In 2009, the rate of interest on policyholders' savings will initially be 1.5% after tax. In 2008, the rate was 5.5% after tax.

The 2009 result will depend greatly on developments in the financial markets and the possibility of booking the risk allowance and other amounts held in the shadow account to income in 2009.

Embedded value

To illustrate the value creation of its unit-linked business, Danica Pension has calculated the value of unit-linked transactions in Denmark according to the European Embedded Value principles. The calculations serve as a supplement to the 2008 annual report. The principles for calculating the European Embedded Value are described in detail in an unaudited Danica White Paper, which is available at www.danskebank.com/ir.

At December 31, 2008, the embedded value was DKr2,079m, compared with a carrying amount of DKr361m. The embedded value increased DKr100m during the year. The positive effect of new business and other factors more than compensated for the fall in equity prices in 2008.

OTHER ACTIVITIES ENCOMPASSES EXPENSES FOR THE GROUP'S SUPPORT FUNCTIONS AND REAL PROPERTY ACTIVITIES. OTHER ACTIVITIES ALSO INCLUDES THE ELIMINATION OF RETURNS ON OWN SHARES.

OTHER ACTIVITIES

OTHER ACTIVITIES (DKr m)	2008	2007	Index 08/07
Net interest income	-187	-126	-
Net fee income	-20	-3	-
Net trading income	809	239	-
Other income	1,056	491	215
Total income	1,658	601	276
Operating expenses	226	464	49
Profit before loan impairment charges	1,432	137	-
Loan impairment charges	-	-	-
Profit before tax	1,432	137	-

PROFIT BEFORE TAX (DKr m)	2008	2007	Index 08/07
Real property	629	223	282
Own shares	840	278	-
Other, including Group support functions	-37	-364	-
Total Other Activities	1,432	137	-

Comparative figures include the Sampo Bank group as of February 2007.

Total income rose DKr1,057m owing primarily to an increase in trading income because of the elimination of own shares and the outcome of a case brought before the Danish National Tax Tribunal involving a claim for VAT repayment. The latter caused a rise in net interest income and other income of DKr117m and DKr250m, respectively. Proceeds from property sales totalling DKr506m also contributed to the positive trend.

Part of customer savings held in pooled schemes and at Danica are invested in Danske Bank shares. In accordance with accounting regulations, the return on the Danske Bank shares must be eliminated in the financial statements, while the return on customer savings is recognised in the income statement. This elimination led to an income of DKr840m in 2008, against DKr278m a year earlier.

LIQUIDITY AND CAPITAL MANAGEMENT

Liquidity management

The international financial crisis led to increased volatility in the financial markets and to poorly functioning international debt markets. In certain periods, it was very difficult to issue both short- and long-term bonds. Despite the difficult market conditions, the Group met its targets for short-term liquidity mainly through stable deposits and large liquid bond holdings, which can be used as collateral for loan facilities with central banks. By the end of 2008, the international debt markets had become more accessible, partly because of the introduction of financial support packages.

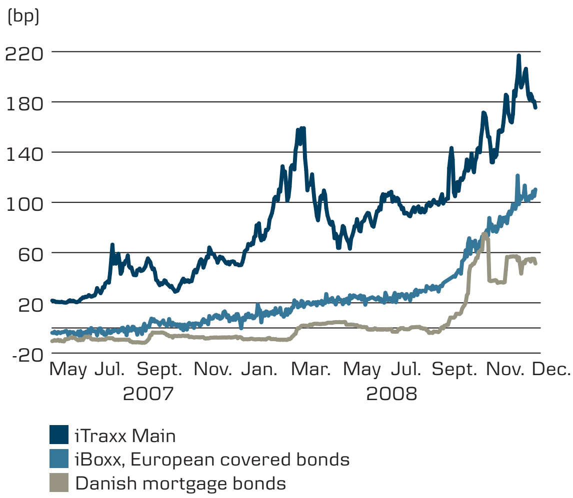
The Group's liquidity strength was seriously tested at the end of September 2008, when access to funding from abroad was suddenly cut off.

As a consequence of its participation in the Danish state guarantee scheme, the Group gained access to short- and medium-term funding – particularly in US dollars.

On February 3, 2009, the Danish parliament passed a bill which allows credit institutions to apply for a state guarantee specifically for non-subordinated debt issued in the period until December 31, 2010, with an option for extension. These loans may run until December 31, 2013. During the term of the loans, the institutions must pay individual guarantee commissions. No commission is payable for the period until October 1, 2010, however. If an institution accepts the state guarantee, it may not buy back its own shares, but may pay dividends after October 1, 2010, if profits permit.

The Group believes that a specific state guarantee (credit package) will facilitate the transition when the general state guarantee (bank package) expires. For the purpose of optimising liquidity management, the Group will apply for a specific guarantee for loans with longer maturities.

YIELD SPREADS TO SWAP RATE



The Group regularly monitors the composition of its funding to ensure that it has a well-diversified funding base. The Group's retail deposits play an important role in this regard. Moreover, all loans provided by Realkredit Danmark are match-funded through the AAA-rated Danish mortgage finance system. Match-funding means that the Group has no refinancing or interest rate risk on the loans.

GROUP FUNDING SOURCES (BY TYPE) (YEAR-END) (%)	2008	2007
Central banks	11	11
Credit institutions	7	9
Repo transactions	6	10
Short-term bonds	9	5
Long-term bonds	12	11
Danish mortgage bonds (match-funded)	19	20
Deposits (corporate)	18	17
Deposits (retail)	12	11
Subordinated debt	2	2
Shareholders' equity	4	4
Total	100	100

LIQUIDITY MANAGEMENT

Themes	Purposes	Horizon
Operational liquidity risk	Ensuring that the short-term liquidity position is positive	
Liquidity stress testing	Calculating potential liquidity gaps in various scenarios and identifying the means to close them	0-6 months
12-month liquidity	Monitoring the liquidity position over 12 months if the Group is cut off from capital markets	0-12 months
Structural liquidity risk	Input for long-term liquidity planning; ensuring diversification of funding	0-10 years +

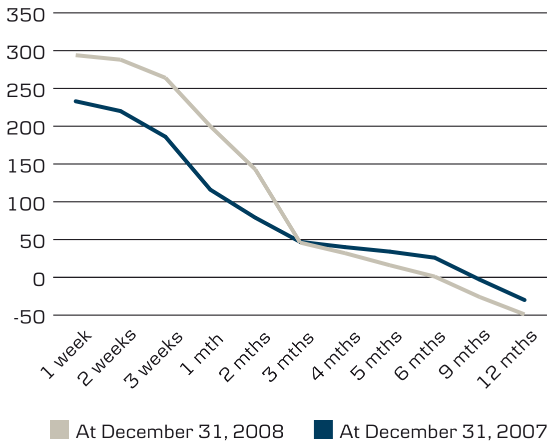
In addition, the Group has comprehensive and well-established funding programmes, including covered bonds. The existing CP and EMTN programmes are used for short- and medium-term funding, while covered bond issues are used mainly for longer-term funding. Covered bonds thus help diversify the Group's funding across investors and maturities. Since December 2007, the Group has issued covered bonds in the amount of DKr78bn, and there is still a considerable unexploited potential for covered bond issues.

Liquidity management is based on ongoing monitoring and management of short- and long-term liquidity risks, and it is organised around the four themes set out in the following table.

One important purpose of these four elements of liquidity management is to enable the Group to respond as quickly as possible to a crisis. In this context, the Group conducts regular stress tests that analyse the effects of scenarios that include both Danske Bank-specific and general market crises.

Another element of liquidity management is the 12-month liquidity curve. In its "Bank Financial Strength Ratings: Global Methodology", Moody's has set various classification requirements for banks' liquidity management. One requirement is that the 12-month liquidity curve must generally be positive. Liquidity calculations must assume, among other factors, that the Group is cut off from the capital markets. This implies that short- and long-term bonds as well as subordinated debt are not refinanced at maturity.

12-MONTH LIQUIDITY
(DKr bn)



For more information about liquidity management practices, see the liquidity risk section of the risk management notes to the consolidated financial statements.

Capital management

The Danske Bank Group's capital management procedures are based on the regulatory capital requirements contained in the Capital Requirements Directive (CRD), which took effect on January 1, 2008. The CRD consists of three pillars:

- PILLAR I contains a set of rules for the mathematical calculation of capital requirements for credit, market and operational risks.
- PILLAR II describes the supervisory review process and requires companies to carry out an internal capital adequacy assessment process (ICAAP).
- PILLAR III deals with market discipline and sets forth disclosure requirements for risk and capital management. The Group complies with the Pillar III disclosure requirements through its publication of Risk Management 2008, which is available at www.danskebank.com/ir.

The capital requirement is calculated under Pillar I and is 8% of risk-weighted assets. The total capital needed is determined in the ICAAP under Pillar II.

Risk management

To ensure coherence between strategic risk-taking considerations and day-to-day decisions on transactions with customers, the Group in 2008 analysed its current risk profile, including the risk components.

KEY RISK COMPONENTS	
Credit risk	Liquidity risk
Market risk	Operational risk

The Group also examines other relevant risk dimensions, such as concentration risk, insurance and pension risks, financial strength and external ratings.

PILLAR I

The Group uses various approaches to calculate the capital requirement for risk under Pillar I.

Credit risk

In November 2007, the Danish FSA gave the Group permission to use the advanced internal ratings-based (IRB) approach to calculate the capital requirement for credit risk. At December 31, 2008, the advanced IRB approach was applied to a total of 86% of the lending portfolio. The remainder of the portfolio was treated according to the standardised approach.

Market risk

Since mid-2007, the Group has used an internal Value-at-Risk model to calculate the capital requirement for general risk, while using the standardised approach to calculate the capital requirement for specific risk.

Operational risk

The Group uses the standardised approach to calculate the capital requirement for operational risk.

The following table shows the calculation of risk-weighted assets in accordance with the CRD.

CAPITAL REQUIREMENTS AND RWA UNDER PILLAR I

(DKr m)	Dec. 31, 2008	Jan. 1, 2008
Credit risk (IRB approach)	44,153	45,040
Credit risk (standardised approach)	17,531	17,471
Counterparty risk	3,450	2,142
Total credit risk	65,134	64,653
Market risk	5,408	5,812
Operational risk	6,264	5,894
Total capital requirement	76,806	76,359
Total risk-weighted assets	960,079	954,483

PILLAR II

Pillar II reporting consists of the Group's internal capital adequacy assessment process.

The ICAAP includes an assessment of any need for additional capital to cover risks considered to be outside the scope of Pillar I. In addition to the capital needed for pension and business risks, the Group, in the light of the current financial situation, increased the capital level for the risk on a number of credit exposures based on collateral received etc. The result was an additional capital need of DKr13bn. The process also assesses the need for additional capital in a number of other stress test scenarios.

In its calculation of the capital requirement under Pillar I, the Group uses long-term (through-the-cycle since 1992) averages for the probability of default (PD) and downturn parameters over the same period for the loss given default (LGD) and the conversion factor (CF). The calculation of risk-weighted assets under Pillar I will therefore be relatively unaffected by changes during the business cycle. The stress tests of the capital requirement determined under Pillar I thus result in only a small increase in the ICAAP result.

The ICAAP also includes the calculation of economic capital by means of internal models. Economic capital is the capital, calculated on the basis of the Group's own models, that is necessary to cover potential losses over the next 12 months at a confidence level of 99.97% (this corresponds to an AA rating). The calculation of economic capital is based on point-in-time values for PD, LGD and CF and will therefore fluctuate with the business cycle.

The calculated economic capital is subjected to stress tests to ensure that the Group at all times has sufficient capital to maintain its AA rating. The stress tests include assessments of how the Group would be affected by possible negative developments in a number of external factors, including social and economic conditions in the countries where the Group operates.

Stress testing

The objective of stress testing is to assess the effects of possible unfavourable events on the ICAAP result and earnings. Since 2005, the Group has conducted a number of stress tests on a quarterly basis. These tests show the effects of economic scenarios on capital over a period of three to five years.

Stress test calculations are based on one or more macroeconomic scenarios. The Group uses nine scenarios:

- Severe recession (estimated to occur once during a period of 25 years)
- Mild recession (estimated to occur once during a period of seven years)
- Rising interest rates and a subsequent fall in property prices
- Depreciation of the US dollar
- Increases in commodity prices
- Deflation
- Bird flu epidemic
- Liquidity crisis at the Danske Bank Group (exclusively) owing to the default of a large customer
- General liquidity crisis in the banking sector

The individual scenarios are described as changes in macroeconomic variables. For example, the mild recession scenario entails all the Group's markets simultaneously being subject to zero GDP growth in two consecutive quarters and then returning to more normal macroeconomic indicator levels. In the severe recession scenario, the downturn is more pronounced, with economic contraction. The stress test results thus do not take the advantages of geographical diversification into account since they assume that all markets are affected at the same time and to the same degree by the shock.

The current economic growth scenario for Denmark and most of the other countries in which the Group operates is currently worse than growth in the mild recession scenario. Forecasts, although somewhat uncertain, indicate that the economic downturn in the Group's markets will be less harsh than during a severe recession, however. Moreover, even if economic activity is generally slowing down, unemployment – one of the key causes of changes in credit risk – is likely to remain below the level in a mild recession.

For the various scenarios, the Group has prepared a number of contingency plans outlining its options for raising new capital or reducing risk-weighted assets. The Group does not currently include these plans or intra-risk diversification in its ICAAP.

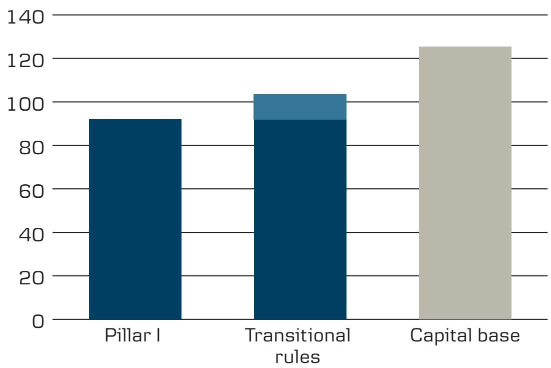
The Group regularly assesses the scenarios and their relevance and, at least once a year, analyses the risks that are most important in the current economic situation. The analysis results are submitted to the All Risk Committee for approval of the scenarios as the basis for subsequent stress testing. The scenarios form part of the ICAAP report, which is submitted to the Board of Directors.

In almost all scenarios, the Group expects to make a net profit in all years because of high and stable earnings from its relatively well-diversified portfolio. In two scenarios, severe recession and deflation, on the other hand, the Group is projected to make a loss in certain years; it will remain sufficiently capitalised, however.

Transitional rules for 2008 and 2009 limit the reduction of the ICAAP result from the requirement under the previous rules. Thus, the ICAAP result could not be reduced by more than 10% in 2008 and may not be reduced by more than 20% in 2009 from the requirement under the previous rules.

ICAAP RESULT END-2008

(DKr bn)



	RATINGS	Standard & Poor's	Moody's	Fitch Ratings
Danske Bank	Short-term	A-1+	P-1	F1+
	Long-term	AA-	Aa1	AA-
	Outlook	Negative	Negative	Stable
	Covered bonds	AAA	Aaa	AAA
Sampo Bank	Short-term	A-1+	P-1	
	Long-term	AA-	Aa1	
	Outlook	Negative	Negative	
Realkredit Danmark	Bonds issued by Realkredit Danmark	AAA	Aaa	
	Outlook	Stable	Stable	
Danica Pension	Long-term/Insurer financial strength	AA-		
	Outlook	Negative		

Based on the transitional rules, the ICAAP result was DKr103bn at the end of 2008, and DKr92bn at January 1, 2009.

Capital

At the end of 2008, the core (tier 1) capital ratio was 9.2%, while the solvency ratio stood at 13.0%. The stress tests conducted show that the Group is robust against the economic developments in the selected stress scenarios.

At the beginning of 2008, the Group's minimum capital targets for its core capital and solvency ratios were 7.5% and 11.0%, respectively.

At the end of 2008, these capital targets no longer formed the basis for optimum solvency level management because the Group believes that higher minimum targets will be needed in response to the international financial turmoil. In the light of this situation, the Group will revise its capital targets when conditions in the financial markets have been clarified.

Credit package

On February 3, 2009, the Danish parliament passed a bill which allows Danish credit institutions that meet the regulatory solvency requirement to apply to the Danish state for subordinated loan capital in the form of hybrid core capital. The institutions must generally pay interest on the loans at individual rates ranging from 9% to 11.25% per annum. After a period of three years, the rate used will be the higher of the interest rate fixed and 125% of the individual institution's dividend yield.

The Danish government will determine interest rates, terms for early redemption, and other provisions of the individual loans.

The dividend-indexed coupon presupposes that a capital injection is approved by the general meeting. The Board of Directors will therefore propose to the general meeting that the Board of Directors be authorised to apply for and let the Group receive subordinated loan capital in the form of hybrid core capital from the Danish state. Once the general meeting has approved the amendments to the articles of association, Danske Bank can submit an application for subordinated loan capital from the Danish state of up to 35% of the core capital of Danske Bank A/S and Realkredit Danmark A/S, respectively. Accordingly, the Group expects to receive a total amount of about DKr26bn from the Danish state.

At December 31, 2008, such a capital injection would raise the parent company's core capital ratio from 11.1% to around 14% and its solvency ratio from 15.3% to around 18%. The Group's core capital ratio would increase from 9.2% to around 12%, and its solvency ratio from 13.0% to around 16%.

The injection of subordinated loan capital will further strengthen the Group's capital base and enable it to withstand the losses that will inevitably occur during the coming recession, while maintaining reasonable lending activities.

Ratings

Three international rating agencies – Standard & Poor's, Moody's and Fitch Ratings – regularly assess the Group's ability to honour its payment obligations.

The rating targets are an essential part of the Group's capital targets because good ratings give the Group easier and cheaper access to capital and liquidity from the capital markets.

The Group maintained its ratings in 2008, although Standard & Poor's lowered its outlook from stable to negative and Moody's added "under review for possible downgrade".

INVESTOR RELATIONS

The Group's Investor Relations department is responsible for making information available to investors and analysts. Through its policy of openness and transparency, Investor Relations works to ensure that investors and analysts have correct and adequate information about the Group and thus to create good and long-lasting relations.

Investor Relations hosts a series of roadshows four times a year upon the release of financial reports. In 2008, the department held investor meetings in Denmark and other European countries, the US and Canada. More than 400 investors attended these meetings.

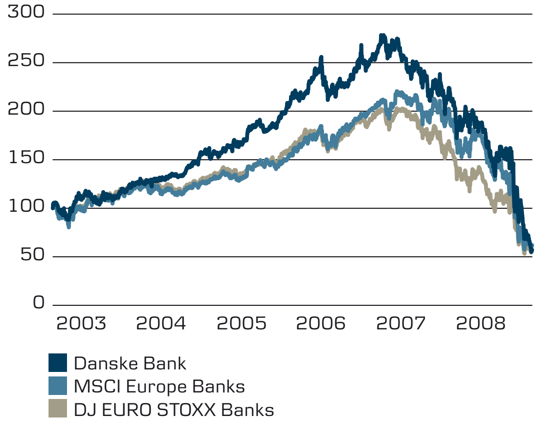
Danske Bank shares

Danske Bank shares are listed on Nasdaq OMX Copenhagen and form part of the OMX Copenhagen 20 index. At the end of 2008, the shares had a weighting of about 7%.

The share price fell from DKr199.8 at December 31, 2007, to DKr52.0 at December 31, 2008, a decline of 74%. In comparison, the OMX Copenhagen 20 was down 47%.

Over the past five years, including 2008, Danske Bank shares have generated an average return of -14% annually, including dividends. Over the same period, the MSCI Europe Banks Index and the DJ EURO STOXX Banks index posted returns of -7% and -14%, respectively.

DANSKE BANK SHARES
Index 2003 = 100



DANSKE BANK SHARES (DKr)	2008	2007
Share capital (m)	6,988	6,988
Share price (end of year)	52.0	199.8
Total market capitalisation (end of year) (bn)	36	137
Earnings per share	1.5	21.7
Dividend per share	-	8.5
Book value per share	142.4	152.7
Share price/book value per share	0.4	1.3

The average daily trading volume of Danske Bank shares in 2008 was DKr410m, against DKr669m in 2007, making the shares the third most actively traded shares in the OMX Copenhagen 20.

Dividend policy

The overall financial objective is to provide shareholders with a competitive return through share price appreciation and dividend payments.

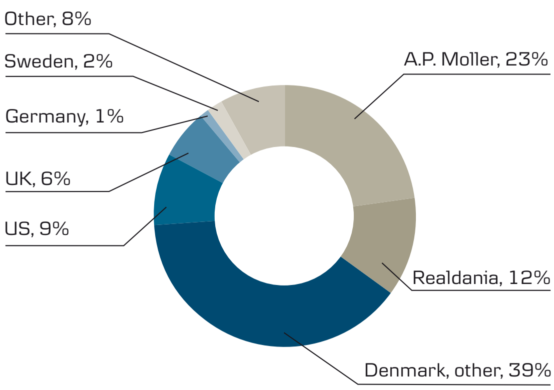
Because of its participation in the Danish state guarantee scheme, however, the Bank may not make dividend payments or buy back own shares during the two-year guarantee period from October 5, 2008, to September 30, 2010.

The Bank will review its capital and dividend policies when conditions in the financial markets have been clarified.

Shareholders

At the end of 2008, Danske Bank had 347,017 shareholders. Twenty investors own about 57% of the share capital.

DANSKE BANK'S SHAREHOLDERS



According to the Danish Companies Act, shareholders must notify a company if their shareholding exceeds 5% of the company's share capital or higher percentages divisible by 5. Two shareholder groups have notified the Bank that they hold more than 5% of its share capital:

- A.P. Møller and Chastine Mc-Kinney Møller Foundation and companies of the A.P. Moller – Maersk Group, Copenhagen, hold 22.76% of the share capital.
- Realdania, Copenhagen, holds 11.81% of the share capital.

The number of voting shares is identical to the stated shareholdings.

Danske Bank itself holds around 1% of the share capital. These shares are held for equity-based compensation under existing incentive programmes that include conditional shares and share options as well as for investment on behalf of insurance policyholders and pooled schemes.

ORGANISATION AND MANAGEMENT

Good corporate governance is essential in maintaining the confidence of investors, meeting financial objectives and maintaining the proper integrity and respect towards stakeholders, including employees, customers, suppliers and authorities.

The Group's management structure reflects the statutory requirements governing listed Danish companies in general and financial services institutions in particular. In all material respects, the Group complies with the recommendations issued by the Danish Committee on Corporate Governance.

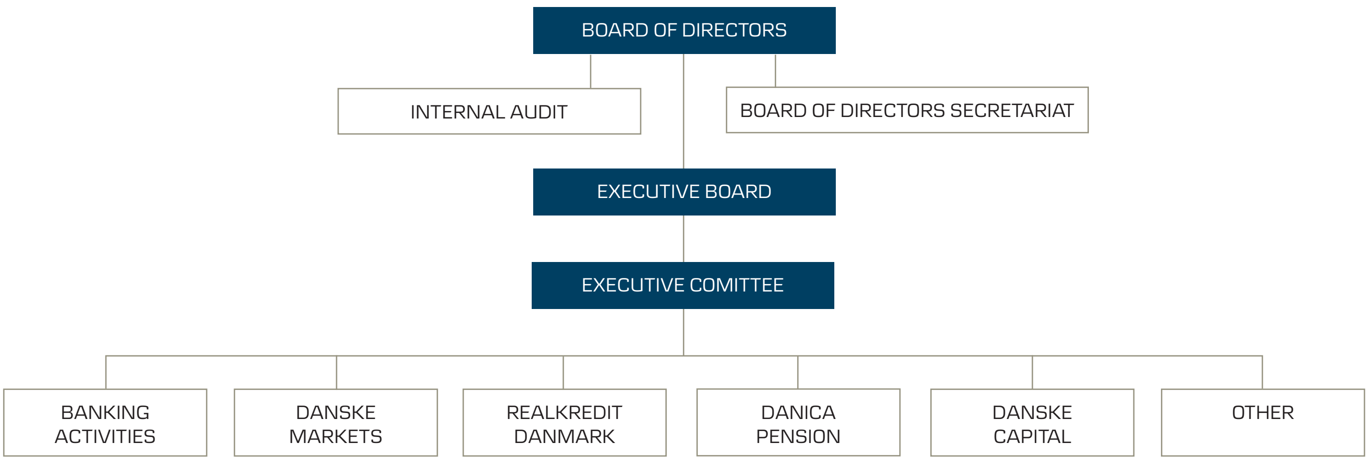
In addition to ensuring compliance with statutory requirements, the management structure ensures maximum security of operations.

Key elements of the management structure are well-defined authorisations, a requirement for regular reporting and considerable transparency of activities. Group standards for risk management, financial planning and control, credit approval, HR development and compliance as well as the Danske Banking Concept and the shared IT platform ensure well-structured management of all activities.

The management's ambition is to continually adjust its structure within the legal framework to make sure that the Group maintains the highest possible management standards and transparency for shareholders.

General meeting

According to the articles of association, an annual general meeting must be held every year not later than April 30. Extraordinary general meetings may be held upon a decision by the general meeting or the Board of Directors or at the request of one of the auditors appointed by the general meeting or shareholders together holding a total of one-tenth of the share capital.



The general meeting is called by the Board of Directors by announcement in the Danish Commerce and Companies Agency's electronic information system and one or more Danish daily papers. Written notice of the general meeting must be given to all registered shareholders who have made such a request. The general meeting must be called at not more than four weeks' and not less than eight days' notice.

Shareholders are entitled to table proposals at the general meeting provided that they observe a few simple formalities. Proposals under the fixed items on the agenda may be made at the general meeting. New items for the agenda and related proposals must be submitted to the Board of Directors in writing before February 1.

A shareholder is entitled to attend and vote at the general meeting if, not later than five days before the general meeting, the shareholder has requested an admission card and a ballot paper and has provided proof of the shareholding by having arranged for the shares to be registered in the Bank's share register or in a custody account with the Bank or has otherwise provided proof of the shareholding.

There is only one class of shares and no limitations on holdings, voting rights or other opportunities for shareholders to influence decisions.

Generally, the chairman of the general meeting, who is appointed by the Board of Directors, decides whether or not to make a resolution by vote. Some resolutions may be passed without a vote, while others require a ballot.

Decisions at the general meeting are made by a simple majority of votes unless otherwise provided by law or the articles of association. In case of parity of votes, decisions are made by drawing lots.

Resolutions to amend the articles of association that pursuant to Danish law cannot be made by the Board of Directors are passed only if adopted by at least two-thirds of the votes cast and at least two-thirds of the share capital represented at the general meeting and entitled to vote.

A resolution to wind up Danske Bank by merger or voluntary liquidation can be passed only if adopted by at least three-quarters of the votes cast and at least three-quarters of the share capital represented at the general meeting and entitled to vote.

Board of Directors

Board candidates are nominated by shareholders or the Board of Directors and are then elected by the general meeting as the ultimate authority.

The Board consists of 15 members; ten are elected by the general meeting, and five are staff representatives. Under Danish law, the staff are entitled to elect a number of representatives from among themselves equal to half of the number of members elected by the general meeting at the announcement of the staff representative election.

So far, board members have been elected by the general meeting for terms of two years, and half of the members have been up for election every year at the general meeting. The Board of Directors has decided to propose to the general meeting that all board members elected by the general meeting stand for election every year.

Pursuant to Danish law, the staff representatives serve on the Board for a four-year term. The current five staff representatives were elected in 2006, and their term of office will therefore expire in 2010.

Danske Bank has decided not to comply with the recommendations issued by the Danish Committee on Corporate Governance in the following respects:

- Detailed evaluations of individual board members made annually
- Maximum number of other directorships

The Board of Directors does not consider it necessary to make a detailed individual evaluation every year.

Furthermore, the Group believes that simply counting the other directorships of each board member is not a useful method because the workload varies from one company to another. The Group therefore has no limitation on the number of directorships of each board member.

In accordance with recommendations on corporate governance, Danske Bank classifies its board members as either dependent or independent. All board members elected by the general meeting are considered to be independent.

According to the division of responsibilities, the Board of Directors outlines the overall principles governing the affairs of the Group, whereas the Executive Board is in charge of day-to-day management, observing the guidelines and regulations issued by the Board of Directors. The rules of procedure for the Board of Directors and the Executive Board lay down the precise division of duties and responsibilities. A summary of these rules is available at www.danskebank.com.

The board members meet about 12 times a year as scheduled in a meeting plan for each calendar year. Once or twice a year, the Board of Directors holds an extended meeting to discuss the Group's strategic situation. The Board held 13 meetings in 2008.

The Board of Directors appoints the Executive Board, the secretary to the Board of Directors, the Group chief auditor and the deputy Group chief auditor and determines their remuneration.

Executive Board

The Executive Board consists of Peter Straarup, Chairman; Tonny Thierry Andersen, Chief Financial Officer; Sven Lystbæk, head of Shared Services Centre; and Per Skovhus, head of Group Credits.

Board committees

The Board of Directors has established four committees to supervise specific areas or prepare cases for later consideration by the full Board. The four board committees are the Audit Committee, the Credit Committee, the Salary and Bonus Committee and the Nomination Committee.

The committees base their work on clearly defined and publicly disclosed charters, which set forth their purposes and duties. As stipulated by Danish law, the four committees, which report to the Board of Directors, are not authorised to make independent decisions.

The Audit Committee examines accounting, auditing and security issues. These are issues that the Board, the Audit Committee itself, the Group chief auditor or the external auditors believe deserve examination before they are brought before the full Board. The Audit Committee held three meetings in 2008.

The Credit Committee monitors significant credit exposures in order to submit cases to the full Board. The Credit Committee operates as a hearing panel on major credit exposures and monitors trends in the credit quality of the Group's loan portfolio as well as special renewal applications and facilities. The Credit Committee met twice during the year. In 2009, the duties of the Credit Committee will be extended to include monitoring of the overall risk profile. The committee will then be referred to as the Risk Committee.

The Salary and Bonus Committee monitors trends in the Group's salary and bonus systems. The committee is responsible for the ongoing monitoring of the Group's incentive programmes to ensure continual and long-term value creation for shareholders. The Salary and Bonus Committee met twice in 2008.

The Nomination Committee identifies potential board candidates and recommends the candidates to the Board of Directors for election at the general meeting. The Nomination Committee held two meetings during the year.

Executive Committee

The Executive Committee is a co-ordinating forum whose principal objective is to take an overall view of activities across the Group with particular attention to the interaction between support functions, individual brands and country organisations.

In April 2008, Leif Norburg, the new head of Danske Bank Sweden, joined the Executive Committee, and in July 2008, Gerry Mallon, the new chief executive officer of Northern Bank, also joined the committee. In his capacity as chairman of the boards of directors of the Baltic banks, Mads Jacobsen, Senior Executive Vice President, joined the Executive Committee as associate member in April. The committee currently has 15 members.

Management remuneration

The principles of the Group's remuneration policy reflect its objectives of good corporate governance and continual and long-term value creation for shareholders.

The remuneration policy is adopted by the Board of Directors and was most recently approved by the general meeting in March 2008. The Board of Directors is responsible for making any necessary changes to the remuneration policy and for resubmitting the policy to the general meeting for approval.

Members of the Board of Directors receive a fixed fee but are not covered by incentive programmes and do not receive performance-based compensation. The remuneration of the Board of Directors is subject to the approval of the general meeting when it considers the annual report. The Board of Directors determines the Executive Board's remuneration, which consists of fixed salaries, various types of incentive programmes and pensions.

Since Danske Bank is participating in the Danish state guarantee scheme, the Bank may not grant share options or conditional shares to the management until the expiry of the two-year guarantee period on September 30, 2010.

Notes 9 and 43 to the consolidated financial statements provide information on the remuneration of directors and members of the Executive Board.

CORPORATE RESPONSIBILITY

In 2008, the Group changed the name of its social, ethical and environmental work from corporate social responsibility (CSR) to corporate responsibility (CR). With the new name, the Group wants to signal that its responsibility extends beyond social responsibility. The change is closely linked to the overall goal of integrating corporate responsibility in all the Group's activities as a business and an employer.

The Group is particularly committed to contributing to responsible economic growth, protecting the environment and ensuring good working conditions that support employee development.

Socially responsible investing

In 2008, the Group implemented a socially responsible investment (SRI) policy to ensure that it does not invest customer funds in businesses that do not comply with international standards on human rights, the environment, employee rights, weapons and anti-corruption. In the Group's opinion, responsible behaviour is a precondition for a company's long-term value creation. The SRI policy is thus consistent with the objective of providing customers with the highest possible investment returns.

The SRI policy covers both customer investments under management and the Group's own strategic securities holdings. The investments are regularly screened by Ethix SRI Advisors, a specialised SRI consulting firm. The screening is based on the internationally recognised guidelines of the UN Human Rights Norms for Business (2003), the UN Global Compact (1999) and the OECD Guidelines for Multinational Enterprises (1976). The screening also ensures that the businesses in which the Group invests comply with a number of international conventions.

If a business violates the guidelines, the Group enters into a dialogue with the business in question to find out whether it will change its behaviour. Depending on the outcome of the dialogue, the Group sells off or maintains its investment in the business.

New agreement on employee rights

In 2008, the Group entered into a framework agreement with UNI Finance, a sector organisation under UNI Global Union. The agreement documents the Group's focus on proper rights for employees on issues such as equal pay, competency development, safety and corruption. The agreement also stresses the Group's support of the UN Global Compact's ten principles covering areas such as human rights and employee rights. The Group joined the UN Global Compact in 2007.

Focus on financial literacy

Knowledge is the most important resource in the global economy. The competitiveness and progress of a society therefore depend on its investment in knowledge. For that reason, the Group has made knowledge a central element of its CR policy. In January 2008, the Group launched the Financial Literacy and Education Investment Programme to help raise the level of financial literacy on its markets.

Targeted at children, young people and young families, the Financial Literacy and Education Investment Programme aims to help people develop a foundation for sound finances in adult life.

In August 2008, the Group launched a website for children aged 5 to 7 called Moneyville. Children can visit the site on their own or together with their parents to learn about the value of money,

earning and saving money, and prioritising how they spend it. In the first months after the launch, Moneyville had more than 230,000 unique visitors across the five banking units that offer the site. A number of experts from Denmark, Sweden, Norway, Northern Ireland and Ireland reviewed the site to ensure that the content matches the age and development stage of the target group. To supplement the site, the Group developed educational material for children aged 5 to 7 that fits into school curricula.

In 2009 and the years ahead, the Group will offer eLearning-based educational material for school children aged 8 to 15 and a "Train-the-Teacher" programme for specific target groups.

The first banking product under the Financial Literacy and Education Investment Programme, the Parent Study Loan, was introduced in 2008. The loan is aimed at students with children – one of the most financially vulnerable groups in society. The Parent Study Loan has a low rate of interest and includes a special advisory service. The service is intended to raise the level of financial literacy among students with children and prepare them to deal with the financial challenges they face.

Carbon neutrality in 2009

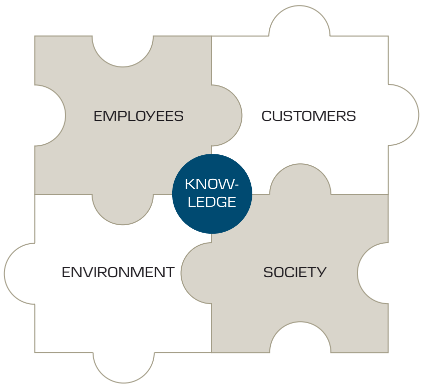
The Group's climate strategy from 2007 focuses on the opportunities for combating climate change in its business and activities and through dialogue with its stakeholders.

One of the goals of this strategy is to achieve carbon neutrality by the end of 2009. In 2008, the Group moved closer to this goal, which it will reach by reducing its own carbon emissions and buying carbon credits from projects that improve the environment.

At the end of 2008, the Group decided to reduce energy consumption at its Danish units by 10% over the next five years. The Group will reach this goal by means of behavioural changes, modernisations, new ventilation systems and energy-saving improvements at branches.

CR reporting

As in 2007, the Group has published a corporate responsibility report together with the annual report. Corporate Responsibility 2008 covers the four main CR areas: customers, employees, environment and society. The Group has also published CR Fact Book 2008. Since 2007, the Group's CR reporting has complied with the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI). The GRI index, which matches the UN Global Compact's reporting requirements (Communication on Progress), is available at www.danskebank.com/responsibility.



Visit the Group's website for further information about CR activities. Corporate Responsibility 2008 and CR Fact Book 2008 are also available on the site.

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INCOME STATEMENT – DANSKE BANK GROUP

Note	(DKr m)	2008	2007
4	Interest income	150,405	133,767
4	Interest expense	110,859	101,209
	Net interest income	39,546	32,558
5	Fee income	11,046	12,431
5	Fee expenses	3,437	3,553
4	Net trading income	-10,694	5,959
6	Other income	4,667	4,845
7	Net premiums	19,250	17,089
8	Net insurance benefits	16,531	23,523
	Income from associated undertakings	217	285
	Profit on sale of associated and group undertakings	-	-
9	Staff costs and administrative expenses	23,316	22,564
11	Amortisation, depreciation and impairment charges	6,431	3,534
	Profit before loan impairment charges	14,317	19,993
12	Loan impairment charges	12,088	687
	Profit before tax	2,229	19,306
13	Tax	1,193	4,436
	Net profit for the year	1,036	14,870
	Portion attributable to		
	Shareholders of Danske Bank A/S (the Parent Company)	1,011	14,813
	Minority interests	25	57
	Net profit for the year	1,036	14,870
	Earnings per share (DKr)	1.5	21.7
	Diluted earnings per share (DKr)	1.5	21.6
	Proposed dividend per share (DKr)	-	8.50

BALANCE SHEET – DANSKE BANK GROUP

Note	(DKr m)	2008	2007
	ASSETS		
14	Cash in hand and demand deposits with central banks	16,379	13,861
15	Due from credit institutions and central banks	215,823	345,959
16	Trading portfolio assets	860,788	652,137
17	Investment securities	140,793	37,651
18	Assets held for sale	119	59
19	Loans and advances	1,352,113	1,360,413
20	Loans and advances at fair value	667,181	627,809
21	Assets under pooled schemes and unit-linked investment contracts	34,635	40,758
22	Assets under insurance contracts	181,259	190,223
23	Holdings in associated undertakings	939	1,128
24	Intangible assets	25,094	29,296
25	Investment property	4,470	4,904
26	Tangible assets	9,061	9,312
	Current tax assets	2,103	690
31	Deferred tax assets	1,248	635
27	Other assets	31,969	34,695
	Total assets	3,543,974	3,349,530
	LIABILITIES		
28	Due to credit institutions and central banks	562,726	677,355
16	Trading portfolio liabilities	623,290	331,547
18	Liabilities held for sale	-	-
29	Deposits	874,690	923,995
20	Bonds issued by Realkredit Danmark	479,534	518,693
21	Deposits under pooled schemes and unit-linked investment contracts	41,827	50,260
30	Liabilities under insurance contracts	210,988	213,419
	Other issued bonds	526,606	402,391
	Current tax liabilities	930	1,142
31	Deferred tax liabilities	3,082	3,397
32	Other liabilities	64,194	63,951
33	Subordinated debt	57,860	59,025
	Total liabilities	3,445,727	3,245,175
	SHAREHOLDERS' EQUITY		
	Share capital	6,988	6,988
	Foreign currency translation reserve	-290	-30
	Reserve for available-for-sale financial assets	-1,937	-
	Proposed dividends	-	5,940
	Retained earnings	93,464	91,325
	Shareholders of the Parent Company	98,225	104,223
	Minority interests	22	132
	Total shareholders' equity	98,247	104,355
	Total liabilities and equity	3,543,974	3,349,530

STATEMENT OF CAPITAL – DANSKE BANK GROUP

(DKr m)								
Changes in shareholders' equity	Shareholders of the Parent Company							
	Share capital	Foreign currency translation reserve	Available-for-sale assets	Proposed dividends	Retained earnings	Total	Minority interests	Total
Shareholders' equity at January 1, 2008	6,988	-30	-	5,940	91,325	104,223	132	104,355
Translation of foreign units	-	-2,472	-	-	-	-2,472	-	-2,472
Foreign unit hedges	-	2,212	-	-	-	2,212	-	2,212
Net unrealised value adjustments	-	-	-1,937	-	-	-1,937	-	-1,937
Tax on entries on shareholders' equity	-	-	-	-	292	292	-	292
Net gains not recognised in the income statement	-	-260	-1,937	-	292	-1,905	-	-1,905
Net profit for the year	-	-	-	-	1,011	1,011	25	1,036
Total income	-	-260	-1,937	-	1,303	-894	25	-869
Dividends paid	-	-	-	-5,940	109	-5,831	-103	-5,934
Acquisition of own shares	-	-	-	-	-27,597	-27,597	-	-27,597
Sale of own shares	-	-	-	-	28,332	28,332	-	28,332
Share-based payments	-	-	-	-	47	47	-	47
Goodwill on acquisition of minority interests	-	-	-	-	-55	-55	-	-55
Disposal of minority interests	-	-	-	-	-	-	-32	-32
Shareholders' equity at December 31, 2008	6,988	-290	-1,937	-	93,464	98,225	22	98,247
Shareholders' equity at January 1, 2007	6,988	9	-	5,416	82,713	95,126	46	95,172
Translation of foreign units	-	-767	-	-	-	-767	-	-767
Foreign unit hedges	-	728	-	-	-	728	-	728
Transfer to collective bonus potential under insurance contracts	-	-	-	-	-400	-400	-	-400
Tax on entries on shareholders' equity	-	-	-	-	196	196	-	196
Net gains not recognised in the income statement	-	-39	-	-	-204	-243	-	-243
Net profit for the year	-	-	-	-	14,813	14,813	57	14,870
Total income	-	-39	-	-	14,609	14,570	57	14,627
Dividends paid	-	-	-	-5,416	100	-5,316	-	-5,316
Proposed dividends	-	-	-	5,940	-5,940	-	-	-
Acquisition of own shares	-	-	-	-	-33,459	-33,459	-	-33,459
Sale of own shares	-	-	-	-	33,132	33,132	-	33,132
Share-based payments	-	-	-	-	170	170	-	170
Addition of minority interests	-	-	-	-	-	-	29	29
Shareholders' equity at December 31, 2007	6,988	-30	-	5,940	91,325	104,223	132	104,355

Danske Bank participates through the Private Contingency Association in the two-year Danish state guarantee under the Act on Financial Stability adopted by the Danish parliament on October 10, 2008. The guarantee prohibits dividend payments and share buybacks by the participating banks for as long as the guarantee remains in force.

STATEMENT OF CAPITAL – DANSKE BANK GROUP

(DKr m)	2008	2007
Earnings per share		
Net profit for the year	1,011	14,813
Average number of shares outstanding	686,905,802	683,990,019
Number of dilutive shares issued for share-based payments	3,552	881,271
Average number of shares outstanding, including dilutive shares	686,909,354	684,871,290
Earnings per share (DKr)	1.5	21.7
Diluted earnings per share (DKr)	1.5	21.6

The share capital consists of shares of a nominal value of DKr10 each. All shares carry the same rights; there is thus only one class of shares.

Number of shares outstanding		
Issued shares at January 1 and December 31	698,804,276	698,804,276
Group holding of own shares	9,000,815	15,201,026
Shares outstanding at December 31	689,803,461	683,603,250

Holding of own shares	Number 2008	Number 2007	Value 2008	Value 2007
Trading portfolio	3,997,392	8,820,904	208	2,009
Investment on behalf of customers	5,003,423	6,380,122	260	1,273
Total	9,000,815	15,201,026	468	3,282

	Trading portfolio	Investment on behalf of customers	Total 2008	Total 2007
Holding at January 1	2,009	1,273	3,282	3,798
Acquisition of own shares	27,466	131	27,597	33,459
Sale of own shares	28,003	329	28,332	33,132
Value adjustment	-1,264	-815	-2,079	-843
Holding at December 31	208	260	468	3,282

STATEMENT OF CAPITAL – DANSKE BANK GROUP

Note	(DKr m)	2008	Jan. 1, 2008	2007
	Solvency			
	Shareholders' equity	98,247	104,355	104,355
	Revaluation of domicile property	1,410	1,873	1,873
	Pension obligations at fair value	486	381	381
	Tax effect	-163	-101	-101
	Minority interests	2,979	3,017	3,017
	Shareholders' equity calculated in accordance with the rules of the Danish FSA	102,959	109,525	109,525
	Proposed dividends	-	-5,940	-5,940
	Intangible assets of banking business	-25,204	-29,411	-29,411
	Deferred tax assets	-971	-499	-499
	Deferred tax on intangible assets	1,433	1,464	1,464
	Revaluation of real property	-924	-1,602	-1,602
	Core (tier 1) capital, excluding hybrid core capital	77,293	73,537	73,537
	Hybrid core capital	13,640	12,977	12,977
	Difference between expected losses and impairment charges	-	-906	-
	Statutory deduction for insurance subsidiaries	-2,555	-2,230	-2,230
	Other statutory deductions	-31	-18	-18
	Core (tier 1) capital	88,347	83,360	84,266
	Subordinated debt, excluding hybrid core capital	35,023	34,714	34,714
	Hybrid core capital	1,120	3,477	3,477
	Revaluation of real property	924	1,602	1,602
	Difference between expected losses and impairment charges	2,036	-906	-
	Statutory deduction for insurance subsidiaries	-2,555	-2,230	-2,230
	Other statutory deductions	-31	-18	-18
	Capital base	124,864	119,999	121,811
	Capital requirements			
	Credit risk (IRB approach)	44,153	45,040	
	Credit risk (standardised approach)	17,531	17,471	
	Counterparty risk	3,450	2,142	
	Total credit risk	65,134	64,653	96,915
	Market risk	5,408	5,812	8,117
	Operational risk	6,264	5,894	
37	Capital requirement under Pillar I	76,806	76,359	105,032
	Pillar II and transitional rules	25,711	18,170	
	ICAAP result	102,517	94,529	105,032
37	Total risk-weighted assets	960,079	954,483	1,312,906
	Core (tier 1) capital ratio, excluding hybrid core capital (%)	8.05	7.70	5.60
	Core (tier 1) capital ratio (%)	9.20	8.73	6.42
	Solvency ratio (%)	13.01	12.57	9.28

As of 2008, the solvency and core (tier 1) capital ratios are calculated in accordance with the CRD. For 2007, the solvency and core (tier 1) capital ratios are calculated in accordance with the Danish FSA's rules in force at that time (Basel I). Risk-weighted assets calculated under the Basel I rules amounted to DKr1,423,850m at the end of 2008. The ICAAP result, taking the transitional rules into consideration, was DKr102,517m, equal to 90% of the capital requirement of 8% of risk-weighted assets.

CASH FLOW STATEMENT – DANSKE BANK GROUP

(DKr m)	2008	2007
Cash flow from operations		
Profit before tax	2,229	19,306
Adjustment for non-cash operating items		
Adjustment of income from associated undertakings	-217	-285
Amortisation and impairment charges for intangible assets	4,105	1,643
Depreciation and impairment charges for tangible assets	1,900	1,712
Loan impairment charges	12,088	687
Tax paid	-3,174	-4,318
Other non-cash operating items	-4,330	759
Total	12,601	19,504
Cash flow from operating capital		
Cash in hand and demand deposits with central banks	-122,609	109,683
Trading portfolio	83,153	-55,495
Other financial instruments at fair value	14,020	-10,312
Assets held for sale	59	1,738
Loans and advances	-3,788	-148,399
Loans and advances at fair value	-39,372	-25,225
Deposits	-49,305	129,105
Liabilities held for sale	-	-888
Bonds issued by Realkredit Danmark	-39,159	34,476
Assets/liabilities under insurance contracts	6,780	1,705
Other assets/liabilities	12,076	44,755
Cash flow from operations	-125,544	100,647
Cash flow from investing activities		
Acquisition of group undertakings and other business units	-128	-19,579
Sale of group undertakings and other business units	-	-
Acquisition of own shares	-27,597	-33,459
Sale of own shares	28,332	33,302
Acquisition of intangible assets	-629	-642
Acquisition of tangible assets	-3,599	-3,629
Sale of tangible assets	875	58
Cash flow from investing activities	-2,746	-23,949
Cash flow from financing activities		
Increase in subordinated debt and hybrid core capital	4,225	5,555
Redemption of subordinated debt and hybrid core capital	-5,593	-3,306
Dividends	-5,831	-5,316
Increase in share capital	-	-
Change in minority interests	-110	86
Cash flow from financing activities	-7,309	-2,981
Cash and cash equivalent at January 1	338,327	264,610
Change in cash and cash equivalents	-135,608	62,447
Acquisition/sale of businesses	9	11,270
Cash and cash equivalent at December 31	202,728	338,327
Cash and cash equivalent at December 31		
Cash in hand and demand deposits with central banks	16,379	13,861
Amounts due from credit institutions and central banks within 3 months	186,349	324,466
Total	202,728	338,327

The list of group holdings and undertakings provides information about restrictions on the use of cash flows from group undertakings.

Note

1 Significant accounting policies

General

The Danske Bank Group presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by the EU and with relevant interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, the consolidated financial statements comply with the requirements for annual reports formulated by the Nasdaq OMX Copenhagen and the Danish FSA.

The Group has not changed its significant accounting policies from those followed in Annual Report 2007, except in the instances mentioned below.

On October 15, 2008, the EU adopted the IAS 39 amendments issued by the IASB that allow reclassification of trading portfolio bonds and other assets in rare circumstances. The Group has decided to classify certain bonds as available-for-sale financial assets. Consequently, unrealised value adjustments will be recognised directly in shareholders' equity, as stated below, with the exception of adjustments applying to hedged interest rate risk that qualify for fair value hedge accounting. At October 1, 2008, the Group reclassified bonds in the trading portfolio at a fair value of DKr116,722m as available-for-sale financial assets because of substantial price distortion and because the Group was not able to maintain its original intention to sell in the near term. The reclassification led to an increase in net trading income of DKr1,937m and an increase in net profit for the year of DKr1,453m. The reclassification does not affect shareholders' equity and total assets.

The Group has implemented IFRS 8, Operating Segments, before its effective date. The standard regulates the segmentation of business units and the information to be disclosed about the individual business segments. Apart from introducing a breakdown of total income by product, the implementation results only in minor changes to the segment reporting in the financial statements.

The Group has implemented IASB's Improvements to IFRSs 2008 before its effective date. The improvements clarify the accounting treatment of a company which sells a lease asset upon expiry of the lease agreement as part of its normal business activities. Upon expiry of the lease agreement, the asset must be treated as inventory. The implementation led to transfer of lease assets worth DKr155m (2007: DKr110m) from tangible assets to Other assets at the end of 2008. The implementation did not otherwise affect the financial statements.

Accounting estimates and assessments

The preparation of the consolidated financial statements is based on the management's estimates and assessments of future events that will significantly affect the carrying amounts of assets and liabilities. The amounts most influenced by critical estimates and assessments are

- the fair value of financial instruments
- impairment charges for loans and advances
- impairment charges for goodwill
- the value of liabilities under insurance contracts
- the value of defined benefit plans

The estimates and assessments are based on assumptions that the management finds reasonable but that are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected future events or situations may occur. Such estimates and assessments are therefore difficult to make and will always entail uncertainty, even under stable macroeconomic conditions, when they involve transactions with customers and other counterparties. Other people may make other estimates.

Fair value of financial instruments

Measurements of financial instruments for which prices are quoted in an active market or which are based on generally accepted models with observable market data are not subject to material estimates.

Measurements of financial instruments that are only to a limited extent based on observable market data, such as unlisted shares and certain bonds for which there is no longer an active market, are subject to estimates. The Determination of fair value section and note 44 provide more details on this.

Measurement of loans and advances

The Group makes impairment charges to account for impairment of loans and advances that occur

Note

after initial recognition. Impairment charges are based on a combination of individual and collective impairment and are subject to a number of estimates, including assessments of the loans or portfolios of loans where objective evidence of impairment exists, expected future cash flows and the value of collateral. The notes on risk management provide more details on impairment charges for loans and advances.

Measurement of goodwill
Goodwill on acquisitions is tested for impairment once a year. Impairment testing requires that the management estimate future cash flows from acquired units. A number of factors affect the value of such cash flows, including discount rates and growth, which depends on changes on the real economy, customer behaviour, competition and other factors. Note 24 provides more information about the impairment test conducted in 2008.

Liabilities under insurance contracts
The calculation of liabilities under insurance contracts is based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates. These assumptions are based on Danica's portfolio. The liabilities are also affected by the discount rate. More information is provided in the sensitivity analysis in the risk management notes.

The amendments to the Danish rules on insurance accounting that determine the basis for the discount rate used to calculate liabilities under insurance contracts took effect on October 30, 2008, and will remain in force until December 31, 2009. The amendments led to a reduction in the liabilities under insurance contracts of DKr1.1bn at the end of 2008 and an increase in net profit for the year of DKr0.4bn.

Measurement of defined benefit pension plans
The calculation of the net obligation under defined benefit pension plans is based on computations made by external actuaries. These computations rely on a number of assumptions, including discount and mortality rates and salary increases. Note 36 states these assumptions and the section on pension risk in the notes on risk management contains a sensitivity analysis.

Consolidation
Group undertakings
The consolidated financial statements cover Danske Bank A/S and group undertakings in which the Group has control over financial and operating policy decisions. Control is said to exist if Danske Bank A/S, directly or indirectly, holds more than half of the voting rights in an undertaking or otherwise has power to control management and operating policy decisions, provided that most of the return on the undertaking accrues to the Group and that the Group assumes most of the risk. Control may be exercised through agreements about the undertaking's activities whereby Danske Bank controls its operating policy decisions. Potential voting rights that are exercisable on the balance sheet date are included in the assessment of whether Danske Bank A/S controls an undertaking.

The consolidated financial statements are prepared by consolidating items of the same nature and eliminating intra-group transactions, balances and trading profits and losses.

Undertakings acquired are included in the financial statements at the date of acquisition.

The net assets of such undertakings (assets, including identifiable intangible assets, less liabilities and contingent liabilities) are included in the financial statements at their fair value on the date of acquisition according to the purchase method.

If the cost of acquisition, including direct transaction costs, exceeds the fair value of the net assets acquired, the excess amount is recognised as goodwill. Goodwill is recognised in the functional currency of the undertaking acquired. If the fair value of the net assets exceeds the cost of acquisition (negative goodwill), the excess amount is recognised as income at the date of acquisition. No goodwill is recognised for the portion of the acquisition that is attributable to minority interests.

Divested undertakings are included in the financial statements until the transfer date.

Associated undertakings
Associated undertakings are businesses, other than group undertakings, in which the Group has holdings and significant influence but not control. The Group generally classifies undertakings as associated undertakings if Danske Bank A/S, directly or indirectly, holds 20-50% of the voting rights.

Holdings are recognised at cost at the date of acquisition and are subsequently measured according to the equity method. The proportionate

Note

share of the net profit or loss of the individual undertaking is included under Income from associated undertakings and based on data from financial statements with balance sheet dates that differ no more than three months from the balance sheet date of the Group.

The proportionate share of the profit and loss on transactions between associated and group undertakings is eliminated.

Accounting policies for holdings in associated undertakings relating to insurance contracts are stated below.

Segment reporting

The Group consists of a number of business units and resource and support functions. The Group's business units are segmented according to legislation and product and services characteristics. Segment reporting complies with the Group's significant accounting policies.

Inter-segment transactions are settled on an arm's-length basis. Expenses incurred centrally, including expenses incurred by support, administrative and back-office functions, are charged to the business units in accordance with their estimated proportionate share of overall activities or at market prices, if available.

Segment assets and liabilities are assets and liabilities that are used to maintain the operating activities of a segment or have come into existence as a result of such activities and that are either directly attributable to or may reasonably be allocated to a segment. A calculated portion of shareholders' equity is allocated to each segment. Other assets and liabilities are recognised in the business unit Other activities.

Offsetting

Amounts due to and from the Group are offset when the Group has a legally enforceable right to set off a recognised amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Translation of transactions in foreign currency

The presentation currency of the consolidated financial statements is Danish kroner. The functional currency of each of the Group's units is the currency of the country in which the unit is domiciled, as most income and expenses are recognised in the currency of that country.

Transactions in foreign currency are translated at the exchange rate of the functional currency at the transaction date. Gains and losses on exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.

Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date. Exchange rate adjustments of monetary assets and liabilities arising as a result of differences in the exchange rates applying at the transaction date and at the balance sheet date are recognised in the income statement.

Non-monetary assets and liabilities in foreign currency that are subsequently revalued at fair value are translated at the exchange rates at the date of revaluation. Exchange rate adjustments are included in the fair value adjustment of an asset or liability. Other non-monetary items in foreign currency are translated at the exchange rates at the date of transaction.

Translation of foreign units

Assets and liabilities of units outside Denmark are translated into Danish kroner at the exchange rates at the balance sheet date. Income and expenses are translated at the exchange rates at the date of transaction. Exchange rate gains and losses arising at the translation of net investments in foreign units are recognised directly in shareholders' equity. Net investments include the net assets and goodwill of the units as well as holdings in foreign units in the form of subordinated loan capital. Exchange rate adjustments of financial liabilities used to hedge net investments in foreign units are also recognised directly in shareholders' equity.

Financial instruments – general

Purchases and sales of financial instruments are measured at their fair value at the settlement date. The fair value is usually the same as the transaction price. Changes in the value of financial instruments are recognised up to the settlement date.

Classification

At initial recognition, financial assets are divided into the following five categories:

- trading portfolio measured at fair value
- loans and advances measured at amortised cost
- held-to-maturity investments measured at amortised cost
- financial assets at fair value through profit or loss

Note

- available-for-sale financial assets measured at fair value with unrealised value adjustments recognised directly in shareholders' equity

The available-for-sale financial assets category was introduced on October 1, 2008. At that time, bonds in the trading portfolio at a fair value of DKr116,722m were reclassified as available-for-sale financial assets. Since then, the Group has used the category for bonds that are traded in an active market at the time of acquisition, but which the Group intends to neither sell in the near term nor to hold to maturity.

At initial recognition, financial liabilities are divided into the following three categories:

- trading portfolio measured at fair value
- financial liabilities at fair value through profit or loss
- other financial liabilities measured at amortised cost

Fair value option – financial assets and liabilities at fair value through profit or loss
Loans and advances at fair value and bonds issued by Realkredit Danmark
Loans and advances granted under Danish mortgage finance law are funded by issuing listed mortgage bonds with matching terms. Borrowers may repay such loans and advances by delivering the underlying bonds.

The Group buys and sells own bonds issued by Realkredit Danmark on an ongoing basis because such securities play an important role in the Danish financial market. If these loans, advances and bonds were measured at amortised cost, the purchase and sale of own bonds would result in timing differences in profit and loss recognition: the purchase price of the bond portfolio would not equal the amortised cost of the issued bonds. Moreover, elimination would result in recognition of an arbitrary effect on profit and loss that would require excessive resources to calculate. If the Group subsequently decided to sell its holding of own bonds, the new amortised cost of this “new issue” would not equal the amortised cost of the matching loans, and the difference would be amortised over the remaining term to maturity.

Consequently, the Group has chosen to recognise loans, advances and issued bonds at fair value in accordance with the fair value option offered by IAS 39 to ensure that neither profit nor loss will occur on the purchase of own bonds.

The fair value of the issued bonds will usually equal the market value. However, a small number of the issued bonds are illiquid, and the fair value of these bonds is calculated on the basis of a discounted cash flow model.

The fair value of loans and advances is based on the fair value of the underlying bonds adjusted for the credit risk on borrowers. The fair value adjustment of loans and advances largely equals the fair value adjustment of the mortgage bonds issued.

The fair value adjustment of the loans, advances and the issued bonds is recognised under Net trading income except for the part of the adjustment that concerns the credit risk on the loans and advances; this part is recognised under Loan impairment charges.

Other financial assets at fair value
Other financial assets at fair value include securities that are not classified as trading portfolio assets. These securities do not form part of the trading portfolio because no recent pattern of short-term profit taking exists. These assets are still managed on a fair value basis. This category includes financial assets under insurance contracts, bonds quoted on an active market and shares that are not part of the trading portfolio.

Realised and unrealised capital gains and losses and dividends are recognised in the income statement under Net trading income. The financial assets are recognised on the balance sheet under Investment securities and Assets under insurance contracts.

Hedge accounting
The Group uses derivatives to hedge the interest rate risk on fixed-rate assets and fixed-rate liabilities measured at amortised cost, except for held-to-maturity investments, and available-for-sale financial assets. Hedged risks that meet specific criteria qualify for fair value hedge accounting and are treated accordingly. The interest rate risk on the hedged assets and liabilities is recognised at fair value as a value adjustment of the hedged items in the income statement.

If the hedge accounting criteria cease to be met, the accumulated value adjustments of the hedged items are amortised over the term to maturity.

Note

Insurance activities – general
The Group's insurance activities comprise conventional life insurance, unit-linked insurance and personal injury insurance.

The computation of the Group's net income from conventional life insurance business complies with the Danish FSA's executive order on the contribution principle. The financial result of Danica Pension, the parent company of the life insurance group, is calculated, in accordance with the profit policy, on the basis of the return on a separate pool of assets equal to shareholders' equity and a risk allowance determined by the technical provisions. If the realised result of Danica Pension for a given period is insufficient to allow the booking of the risk allowance, the amount may be booked in later periods when a sufficient result is realised.

The pool of assets equal to shareholders' equity is consolidated with the other assets of the Group.

Life insurance policies are divided into insurance and investment contracts. Insurance contracts are contracts that entail significant insurance risk or entitle policyholders to bonuses. Investment contracts are contracts that entail no significant insurance risk and comprise unit-linked contracts under which the investment risk lies with the policyholder.

Insurance contracts
Insurance contracts comprise both an investment element and an insurance element, which are recognised jointly.

Life insurance provisions are recognised at their present value under Liabilities under insurance contracts.

Assets earmarked for insurance contracts are recognised under Assets under insurance contracts if most of the return on the assets accrues to the policyholders. The assets are measured in accordance with the Group's accounting policies for similar types of asset. This means that most of the assets are measured at fair value.

Contributions under insurance contracts are recognised under Net premiums. Net insurance benefits consists of benefits disbursed under insurance contracts and the annual change in insurance obligations exceeding the part deriving from additional provisions for benefit guarantees. The return on earmarked assets is allocated to the relevant items in the income statement. The return to policyholders is recognised under Net trading income as are changes to additional provisions for benefit guarantees.

Investment contracts
Investment contracts are recognised as financial liabilities, and, consequently, contributions and benefits under investment contracts are recognised directly on the balance sheet as adjustments of liabilities. Deposits are measured at the value of the savings under Deposits under pooled schemes and unit-linked investment contracts.

Savings under unit-linked investment contracts are recognised at their fair value under Assets under pooled schemes and unit-linked investment contracts. The return on the assets and the crediting of the amounts to account holders are recognised under Net trading income.

BALANCE SHEET
Due from credit institutions and central banks
Amounts due from credit institutions and central banks comprise amounts due from other credit institutions and time deposits with central banks. Reverse transactions are recognised as amounts due from credit institutions and central banks.

Amounts due from credit institutions and central banks are measured at amortised cost, as described under Loans and advances.

Trading portfolio (assets and liabilities)
The trading portfolio includes financial assets acquired and liabilities undertaken that the Group intends to sell or repurchase in the near term. The trading portfolio also contains financial assets and liabilities managed collectively for which a pattern of short-term profit taking exists. All derivatives, including separated embedded derivatives, form part of the trading portfolio.

Assets in the trading portfolio comprise the equities, bonds, loans and advances, and derivatives with positive fair value held by the Group's trading departments. Liabilities in the trading portfolio consist of derivatives with negative fair value and obligations to deliver securities.

At initial recognition, the trading portfolio is measured at fair value, excluding transaction costs. Subsequently, the portfolio is measured at fair value in the income statement.

Note

Determination of fair value
The fair value of financial assets and liabilities is measured on the basis of quoted market prices of financial instruments traded in active markets. If an active market exists, fair value is based on the most recently observed market price at the balance sheet date.

If a financial instrument is quoted in a market that is not active, the Group bases its valuation on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations.

If an active market does not exist, the fair value of standard and simple financial instruments, such as interest rate and currency swaps and unlisted bonds, is measured according to generally accepted valuation techniques. Market-based parameters are used to measure fair value. The fair value of more complex financial instruments, such as swaptions, interest rate caps and floors, and other OTC products, is measured on the basis of internal models, many of which are based on valuation techniques generally accepted in the industry.

The results of calculations made on the basis of valuation techniques are often estimates, because exact values cannot be determined from market observations. Consequently, additional parameters, such as liquidity and counterparty risk, are sometimes used to measure fair value.

If, at the time of acquisition, a difference arises between the value of a financial instrument calculated on the basis of non-observable inputs and actual cost [day-one profit or loss] and the difference is not the result of transaction costs, the Group adjusts the model parameters to the actual cost.

Investment securities
Investment securities consists of financial assets that, under the fair value option, the Group designates at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments.

Financial assets at fair value
Financial assets at fair value comprises instruments managed on a fair value basis but without short-term profit-taking. Realised and unrealised capital gains and losses and dividends are recognised in the income statement under Net trading income.

Available-for-sale financial assets
Available-for-sale financial assets consists of bonds acquired neither with the intention to sell in the near term nor with the intention to hold until maturity. At the time of acquisition, such bonds must be quoted in an active market.

Bonds treated as available-for-sale financial assets are measured at fair value at their initial recognition and subsequently at fair value with unrealised value adjustments recognised directly in shareholders' equity. The unrealised value adjustments that apply to hedged interest rate risks that qualify for fair value hedge accounting are, however, recognised under Net trading income. The Group recognises interest income according to the effective interest method, amortising the difference between cost and the redemption value over the term to maturity of the bonds.

If objective evidence of impairment exists as described under Loans and advances, the Group recognises the impairment charge under Net trading income. The impairment charge equals the difference between the fair value at the time of calculation and amortised cost. If the fair value subsequently rises and the increase is attributable to one or more events that have occurred after the impairment charge was recognised, the Group reverses the impairment charge in the income statement.

When bonds are sold, the Group reclassifies unrealised value adjustments recognised directly in shareholders' equity in the income statement under Net trading income.

On October 1, 2008, the Group reclassified bonds at a fair value of DKr116,722m in its trading portfolio as available-for-sale financial assets, because it could not maintain its original intention to sell in the near term owing to considerable price distortion. The portfolio of available-for-sale financial assets also covers bonds included in the portfolio at the time of acquisition.

Held-to-maturity investments
Held-to-maturity investments covers certain bonds with a quoted price in an active market that are held for the purpose of generating a return until maturity. Held-to-maturity investments are measured at amortised cost.

Note

Assets and liabilities held for sale
Assets held for sale includes tangible assets, except investment property and lease assets that, according to a publicly announced plan, the Group expects to sell within 12 months. The item also includes assets and liabilities that are part of other disposal groups expected to be sold within 12 months.

Tangible assets are measured at the lower of their carrying amount at the time of reclassification and their net realisable value and are no longer depreciated. Other assets and liabilities are measured in accordance with the Group's general accounting policies.

Loans and advances
Loans and advances consists of loans and advances disbursed directly to borrowers and loans and advances acquired after disbursement. Loans and advances extended or acquired that the Group intends to resell in the near term are included in the trading portfolio. Loans and advances includes conventional bank loans; finance leases; mortgages and pledges; reverse transactions, except for transactions with credit institutions and central banks; and certain bonds not quoted in an active market at the time of acquisition. Moreover, the item includes loans secured on real property, except for loans granted by Realkredit Danmark, which are recognised under Loans and advances at fair value.

At initial recognition, loans and advances are measured at fair value plus transaction costs less origination fees, and other charges. Subsequently, they are measured at amortised cost, according to the effective interest method, less any impairment charges. The difference between the value at initial recognition and the nominal value is amortised over the term to maturity and recognised under Interest income. If fixed-rate loans and advances and amounts due are hedged effectively by derivatives, the fair value of the hedged interest rate risk is added to the amortised cost of the assets.

Impairment
If objective evidence of impairment of a loan, an advance or an amount due exists, and the effect of the impairment event or events on the expected cash flow from the asset is reliably measurable, the Group determines the impairment charge individually. The impairment charge equals the difference between the carrying amount and the present value of the most likely future cash flow from the asset, including the net realisable value of collateral. The present value of fixed-rate loans and advances is calculated at the original effective interest rate, whereas the present value of loans and advances with a variable rate of interest is calculated at the current effective interest rate.

Objective evidence of impairment of loans and advances exists if at least one of the following events has occurred:

- the borrower is experiencing significant financial difficulty
- the borrower's actions, such as default on interest or principal payments, lead to a breach of contract
- the Group, for reasons relating to the borrower's financial difficulty, grants to the borrower a concession that the Group would not otherwise have granted
- it becomes probable that the borrower will enter bankruptcy or another type of financial reorganisation

Loans and advances without objective evidence of impairment are included in an assessment of collective impairment at portfolio level. Collective impairment is calculated for portfolios of loans and advances with similar credit characteristics when impairment of expected future cash flows from the portfolio has occurred. The Group's models use downgrading of a customer's rating as an indicator of impairment. The loans and advances are divided into portfolios based on customers' current classifications.

The cash flows are specified by means of parameters used for the calculation of solvency requirements and historical loss data adjusted for use in the financial statements, for example. The adjustment covers a loss identification period that, according to the Group's empirical data, is the period from the first appearance of evidence of impairment to the determination of a loss at customer level.

Collective impairment is calculated for each portfolio as the net difference between the carrying amount of the loans and advances of the portfolio and the present value of expected future cash flows.

If the Group becomes aware that, at the balance sheet date, deteriorations or improvements have occurred that are not fully reflected in the assessments based on the models, it adjusts the impairment charge.

Note

Impairment charges are booked in an allowance account and set off against loans and advances. Changes in the allowance account are recorded under Loan impairment charges in the income statement. If subsequent events show that impairment is not permanent, charges are reversed.

Loans and advances that are considered uncollectible are written off. Write-offs are debited to the allowance account. Loans and advances are written off once the usual collection procedure has been completed and the loss on the individual loan or advance can be calculated.

In accordance with the effective interest method, interest is recognised on the basis of the value of the loans and advances less impairment charges.

Loans and advances at fair value and bonds issued by Realkredit Danmark

At initial recognition, loans, advances and issued bonds are measured at fair value, excluding transaction costs. Sub-sequently, such assets and liabilities are measured at fair value.

The fair value of the bonds issued by Realkredit Danmark is normally defined as their market value. A small part of the issued bonds are illiquid, however, and the fair value of these bonds is calculated on the basis of a discounted cash flow valuation technique.

The fair value of the loans and advances is based on the fair value of the underlying bonds adjusted for the credit risk on borrowers in accordance with the principles described under Loans and advances.

Assets and deposits under pooled schemes and unit-linked investment contracts

These items include assets and deposits under pooled schemes and unit-linked contracts defined as investment contracts.

Assets earmarked for customer savings are measured at fair value and recognised under Assets under pooled schemes and unit-linked investment contracts. Similarly, deposits made by customers are recognised under Deposits under pooled schemes and unit-linked investment contracts. These deposits are recognised at the value of savings.

Holdings of shares and bonds issued by the Group are deducted from shareholders' equity or eliminated. Consequently, the value of Deposits under pooled schemes and unit-linked investment contracts exceeds that of Assets under pooled schemes and unit-linked investment contracts.

Assets and liabilities under insurance contracts

Assets under insurance contracts comprises assets earmarked for policyholders, that is, assets on which most of the return accrues to policy-holders. The assets, which include financial assets, investment property and tangible assets, are specified in the notes. The valuation technique used matches the Group's accounting policy for similar assets. Holdings in associated under-takings that are part of venture capital activity are, however, measured at fair value. A few pieces of real property are jointly owned and therefore consolidated in the financial statements on a pro rata basis.

Liabilities under insurance contracts consists of life insurance provisions, provisions for unit-linked insurance contracts, collective bonus potential, other technical provisions and other liabilities.

Holdings of shares and bonds issued by the Group are deducted from shareholders' equity or eliminated. Consequently, the value of Liabilities under insurance contracts exceeds that of Assets under insurance contracts.

Life insurance provisions

Life insurance provisions comprises obligations towards policyholders to

- pay guaranteed benefits
- pay bonuses over time on agreed premiums not yet due
- pay bonuses on premiums and other payments overdue.

Recognition of life insurance provisions is based on actuarial computations of the present value of expected benefits for each insurance contract using a zero-coupon yield curve at the balance sheet date.

These calculations rely on specific assumptions about expected future mortality and disability rates based on historical data from Danica's portfolio plus an allowance for risk.

Obligations under guaranteed benefits are calculated as the present value of current guaranteed benefits plus the present value of expected future administrative expenses less future premiums.

Note

Provisions for unit-linked insurance contracts
Provisions are measured at fair value on the basis of each contract's percentage of the earmarked assets and the benefits guaranteed.

Collective bonus potential
Provisions for collective bonus potential comprises policyholders' share of realised results of policies with a bonus entitlement not yet allocated to the individual policyholder.

Other technical provisions
Other technical provisions includes outstanding claims provisions, unearned premium provisions, and provisions for bonuses and premium discounts.

Other liabilities
Other liabilities includes the portion of Danica Pension's other liabilities that rests with policyholders. Other liabilities are measured in accordance with the Group's accounting policies for similar types of liability.

Intangible assets
Goodwill
Goodwill arises on the acquisition of undertakings and is calculated as the difference between the cost of an undertaking acquired and the fair value of its net assets, including contingent liabilities, at the time of acquisition. Goodwill on acquisitions made before 2002 was written off against shareholders' equity in the year of acquisition.

Goodwill on associated undertakings is recognised under Holdings in associated undertakings.

Goodwill is allocated to cash-generating units at the level at which the management monitors its investment. Goodwill is not amortised; instead each cash-generating unit is tested for impairment at least once a year. Goodwill is written down to its recoverable amount in the income statement if the carrying amount of the net assets of the cash-generating unit exceeds the higher of the assets' fair value less costs to sell and their value in use, which equals the present value of the future cash flows expected from the unit.

Other intangible assets
Software acquired is measured at cost, including the expenses incurred to make each software application ready for use. Software acquired is amortised over its expected useful life, which is usually three years, according to the straight-line method.

Software developed by the Group is recognised as an asset if the cost of development is reliably measurable and analyses show that the future profit from using the individual software applications exceeds cost. Cost is defined as development costs incurred to make each software application ready for use. Once the software has been developed, the cost is amortised over the expected useful life, which is usually three years, according to the straight-line method. Development costs consist primarily of direct remuneration and other development costs that may be attributed directly. Expenses incurred in the planning phase are not included; instead such expenses are booked when incurred.

Identifiable intangible assets taken over on the acquisition of undertakings are recognised at the time of acquisition at their fair value and amortised over their expected useful lives, which are usually three years, according to the straight-line method. The value of intangible assets with indefinite useful lives is not amortised, but the assets are tested for impairment at least once a year according to the principles applicable to goodwill.

Other intangible assets to be amortised are tested for impairment if indications of impairment exist, and the assets are subsequently written down to their value in use.

Costs attributable to the maintenance of intangible assets are expensed in the year of maintenance.

Investment property
Investment property is real property, including real property let under operating leases that the Group owns for the purpose of receiving rent and/or obtaining capital gains. The section on domicile property below explains the distinction between domicile and investment property.

On acquisition, investment property is recognised at cost, including transaction costs. Subsequently, the property is measured at fair value. Fair value adjustments and rental income are recognised under Other income in the income statement.

The fair value is assessed by the Group's valuers at least once a year. Assessments are based on the expected return on the Group's property and on the rate of return calculated for each property. The rate of return of a property is determined on the basis of its location, type, possible uses, layout and condition as well as on the terms of lease agreements, rent adjustment and credit quality of the lessees.

Note

Tangible assets
Tangible assets includes domicile property, machinery, furniture and fixtures, and lease assets. Machinery, furniture and fixtures covers equipment, vehicles, furniture, fixtures and property improvement expenditure.

Domicile property
Domicile property is real property occupied by the Group's administrative departments, branches and other service units. Real property with both domicile and investment property elements is allocated proportionally to the two categories if the elements are separately sellable. If that is not the case, such real property is classified as domicile property, unless the Group occupies less than 10% of the total floorage.

Domicile property is measured at cost plus property improvement expenditure and less depreciation and impairment charges. The straight-line depreciation of the property is based on the expected scrap value and an estimated useful life of 20 to 50 years. Real property held under long-term leases is depreciated on a progressive scale.

Investment property which becomes domicile property because the Group starts using it for its own activities is recognised at fair value at the time of reclassification. Domicile property which becomes investment property is recognised at fair value at the time of reclassification. Any revaluation of domicile property is recognised directly in shareholders' equity.

Domicile property which, according to a publicly announced plan, the Group expects to sell within twelve months is recognised as an asset held for sale. Real property taken over as part of the settlement of debt is recognised under Other assets.

Machinery, furniture and fixtures
Equipment, vehicles, furniture, fixtures and property improvement expenditure are recognised at cost less depreciation and impairment charges. Assets are depreciated over their expected useful lives, which are usually three years, according to the straight-line method. Property improvement expenditure is depreciated over the term of the lease, with a maximum of ten years.

Lease assets
Lease assets consists of assets, except real property, leased under operating leases with the Group as the lessor. Lease assets are measured using the same valuation technique as that applied by the Group to its other equipment, vehicles, furniture and fixtures. When, at the end of the lease period, lease assets are put up for sale, the assets are transferred to Other assets.

Impairment
Tangible assets are tested for impairment if indications of impairment exist. An impaired asset is written down to its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Other assets
Other assets includes interest and commissions due, prepayments, lease assets put up for sale at the expiry of the lease agreement and tangible assets taken over under non-performing loan agreements. Lease assets and assets taken over under non-performing loan agreements are measured at the lower of their cost and fair value less expected costs to sell. For lease assets, cost equals the carrying amount at expiry of the lease agreement.

The Group has entered into credit default swaps (CDS) to hedge the credit risk of a portfolio of mortgage loans. The swaps do not comply with the accounting definition of derivatives and are therefore treated as acquired guarantees. Prepaid guarantee premiums are recognised under Other assets. Future payments that the Group is likely to receive are recognised as amounts due at present value.

Amounts due to credit institutions and central banks/Deposits
Amounts due to credit institutions and central banks and Deposits include amounts received under repo transactions.

Amounts due to credit institutions and central banks and Deposits are measured at amortised cost plus the fair value of the hedged interest rate risk.

Other issued bonds/Subordinated debt
Other issued bonds and Subordinated debt comprise the bonds issued by the Group except bonds issued by Realkredit Danmark. Subordinated debt is liabilities in the form of subordinated loan capital and other capital investments which, in case of voluntary or compulsory winding-up, will not be repaid until after the claims of ordinary creditors have been met.

Note

Other issued bonds and Subordinated debt are measured at amortised cost plus the fair value of the hedged interest rate risk.

The yield on some issued bonds depends on an index that is not closely linked to the financial characteristics of the bonds, for example an equity or commodity index. Such embedded derivatives are separated and recognised at their fair value in the trading portfolio.

Other liabilities
Other liabilities includes accrued interest, fees and commissions that do not form part of the amortised cost of a financial instrument.

Other liabilities also includes pension obligations and provisions for other obligations, such as lawsuits and guarantees.

If a lawsuit is likely to result in payment, a liability is recognised if it can be measured reliably. The liability is recognised at the present value of expected payments.

Pension obligations
The Group's pension obligations consist of both defined contribution and defined benefit plans for its staff. Under the defined contribution plans, the Group pays regular contributions to insurance companies and other institutions. Such payments are expensed as they are earned by the staff, and the obligations under the plans are taken over by the insurance companies and other institutions.

Under the defined benefit plans, the Group is under an obligation to pay defined future benefits starting at the time of retirement. The amounts payable are recognised on the basis of an actuarial computation of the present value of expected benefits. The present value is calculated on the basis of the expected future trends in salaries and interest rates, time of retirement, mortality rate and other factors.

The present value of pension benefits less the fair value of pension assets is recognised as a pension obligation for each plan under Other liabilities. If the net amount of a defined benefit plan is positive and may be repaid to the Group or reduce its future contributions to the plan, the net amount is recognised under Other assets. The discount rate is based on the market rate that applies to high-quality corporate bonds with maturities that correspond to the maturity of the pension obligations.

The difference between the expected trends in pension assets and benefits and the actual trends will result in actuarial gains or losses. Actuarial gains or losses that do not exceed the higher of 10% of the present value of benefits and 10% of the fair value of pension assets are not recognised in the income statement or on the balance sheet but form part of the corridor. If the accumulated actuarial gains or losses exceed both these threshold values, the excess amount is recognised in the income statement and in the net pension obligation over the expected remaining period of service of the staff covered by the plan.

Irrevocable loan commitments and guarantees
At initial recognition, irrevocable loan commitments and guarantees are recognised at the amount of the premiums received. Subsequently, guarantees are measured at the higher of the received premium amortised over the guarantee period and the provision made, if any. Provisions for irrevocable loan commitments and guarantees are recognised under Other liabilities if it is likely that drawings will be made under a loan commitment or claims will be made under a guarantee and the amount payable can be reliably measured. The obligation is recognised at the present value of expected payments. Irrevocable loan commitments are discounted in accordance with the interest terms.

Deferred tax
Deferred tax on all temporary differences between the tax base of assets and liabilities and their carrying amounts is accounted for in accordance with the balance sheet liability method. Deferred tax is recognised under Deferred tax assets and Deferred tax liabilities on the basis of current tax rates.

However, the Group does not recognise deferred tax on temporary differences between the tax base and the carrying amounts of goodwill not subject to amortisation for tax purposes and other items if temporary differences arose at the time of acquisition without effect on the net profit or taxable income. If the tax base may be calculated according to several sets of tax regulations, deferred tax is measured in accordance with the regulations that apply to the use of the asset or settlement of the liability planned by the management.

Tax assets arising from unused tax losses and unused tax credits are recognised as deferred tax only if it is likely that the unused tax losses and unused tax credits can be used.

Note

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply in the relevant countries at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Shareholders' equity

Foreign currency translation reserve

The foreign currency translation reserve includes differences arisen since January 1, 2004, from the translation of the financial results and net investments in foreign units from their functional currencies into Danish kroner. The reserve also includes exchange rate adjustments of financial liabilities used to hedge net investments in units outside Denmark.

If the net investment in a unit outside Denmark is fully or partly realised, the translation differences arising at the unit are recognised in the income statement.

Reserve for assets available for sale

The reserve covers unrealised value adjustments of bonds treated as available-for-sale financial assets recognised directly in shareholders' equity. Unrealised value adjustments of hedged interest rate risks that qualify for fair value hedge accounting are recognised in the income statement and not included in the reserve.

If objective indication of impairment exists, the Group reclassifies accumulated unrealised capital losses from the reserve to the income statement. When bonds are sold, the Group also reclassifies unrealised value adjustments from the reserve to the income statement.

Proposed dividends

The Board of Directors' proposal for dividends for the year submitted to the general meeting is included as a separate reserve in shareholders' equity. The dividends are recognised as a liability after the general meeting has adopted the proposal.

Own shares

Amounts received and paid for the Group's sale and purchase of Danske Bank shares are recognised directly in shareholders' equity. The same applies to premiums received or paid for derivatives entailing settlement in own shares.

Capital reduction by cancellation of own shares will lower the share capital by an amount equal to the nominal value of the shares at the time of registration of the capital reduction.

Share-based payments

Share-based payments by the Group are settled in Danske Bank shares. The fair value at the grant date is expensed as the options vest and is set off against shareholders' equity. At the time of exercise, payment by employees is recognised as an increase in shareholders' equity. As with other purchases of Danske Bank shares, shares acquired for hedging purposes reduce shareholders' equity by the amount paid.

Minority interests

Minority interests' share of shareholders' equity equals the carrying amounts of the net assets in group undertakings not owned directly or indirectly by Danske Bank A/S.

Contingent assets and Contingent liabilities

Contingent assets and contingent liabilities consist of possible assets and liabilities arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Danske Bank Group.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Contingent liabilities are disclosed unless the possibility of an outflow of economic resources is remote. In addition, disclosure is made of current liabilities that are not recognised because it is not probable that the liability will entail an outflow of economic resources or where no reliable estimate of the liability can be made.

INCOME STATEMENT

Interest income and expenses

Interest income and expenses arising from interest-bearing financial instruments measured at amortised cost are recognised in the income statement according to the effective interest method on the basis of the cost price of the individual financial instrument. Interest includes the amortisation of fees that are an integral part of the effective yield on a financial instrument, such as origination fees, and the amortisation of any other differences between cost price and redemption price.

Interest income and expenses also includes interest on financial instruments measured at fair value, but not interest on assets and deposits

Note

under pooled schemes and unit-linked investment contracts; the latter is recognised under Net trading income. Origination fees on mortgage loans measured at fair value are recognised under Interest income at origination.

Interest on loans and advances subject to individual impairment is recognised on the basis of the impaired value.

Fee income and expenses

Fee income and expenses are broken down into fees generated by activities and fees generated by portfolios.

Income from and expenses for services provided over a period of time, such as guarantee commissions and investment management fees, are accrued over the period. Transaction fees, such as brokerage and custody fees, are recognised on completion of the individual transaction.

Net trading income

Net trading income includes realised and unrealised capital gains and losses on trading portfolio assets and other securities (including securities recognised under Assets under insurance contracts, loans and advances at fair value and bonds issued by Realkredit Danmark) as well as exchange rate adjustments and dividends. The effect on profit and loss of fair value hedge accounting is also recognised under Net trading income.

The return on assets under pooled schemes and unit-linked investment contracts and the crediting of the return to customer accounts are also recognised as Net trading income. Moreover, the item includes the change in insurance obligations during the year due to additional provisions for benefit guarantees and tax on pension returns.

Other income

Other income includes rental income and lease payments under operating leases, fair value adjustments of investment property, proceeds from the sale of lease assets and gains and losses on the sale of other tangible and intangible assets.

Net premiums

Regular and single premiums on insurance contracts are recognised in the income statement at their due dates. Premiums on investment contracts are recognised directly on the balance sheet. Reinsurance premiums paid are deducted from premiums received.

Net insurance benefits

Net insurance benefits includes benefits disbursed under insurance contracts. The item also includes adjustments to outstanding claims provisions and life insurance provisions that are not additional provisions for benefit guarantees. The benefits are recognised net of reinsurance.

Income from associated undertakings

Income from associated undertakings comprises the Group's proportionate share of the net profit or loss of the individual undertakings.

Profit on sale of associated and group undertakings

The profit on sale of associated and group undertakings is the difference between the selling price and the carrying amount, including any goodwill of holdings in associated and group undertakings that have been divested.

Staff costs and administrative expenses

Staff costs

Salaries and other remuneration that the Group expects to pay for work carried out during the year are expensed under Staff costs and administrative expenses. This item includes salaries, bonuses, expenses for share-based payments, holiday allowances, anniversary bonuses, pension costs and other remuneration.

Bonuses and share-based payments

Bonuses are expensed as they are earned. Part of the bonuses for the year can be paid in the form of equity-settled options and conditional shares. Share options may not be exercised until three years after the grant date and are conditional on the employee's not having resigned from the Group. Conditional shares vest three years after the grant date if the employee has not resigned from the Group.

The fair value of share-based payments at the grant date is expensed over the service period that unconditionally entitles the employee to the payment. The intrinsic value of the grant is expensed in the year in which the options are granted, whereas the time value is accrued over the remaining service period. Expenses are set off against shareholders' equity. Subsequent changes in the fair value are not recognised in the income statement.

Pension obligations

The Group's contributions to defined contribution plans are recognised in the income statement as they are earned by the employees. The Group

Note

applies the corridor method to defined benefit plans, and the income statement thus includes actuarial pension expenses (standard cost).

The state guarantee scheme
The guarantee commission payable by the Group for participation in the Danish state guarantee is recognised under Other operating expenses over the guarantee period according to the straight-line method.

Amortisation, depreciation and impairment charges for intangible and tangible assets
In addition to amortisation, depreciation and impairment charges for intangible and tangible assets, the Group expenses the carrying amount of assets sold at the expiry of a lease agreement.

Loan impairment charges
Loan impairment charges includes losses on and impairment charges for loans, advances, amounts due from credit institutions and guarantees, as well as fair value adjustments of the credit risk on loans and advances recognised at fair value.

Tax
Calculated current and deferred tax on the profit for the year and adjustments of tax charges for previous years are recognised in the income statement. Income tax for the year is recognised on the basis of the tax laws applying in the countries in which the Group operates. Tax on items recognised in shareholders' equity is charged directly.

Cash flow statement
The Group has prepared its cash flow statement according to the indirect method. The statement is based on the pre-tax profit for the year and shows the cash flows from operating, investing and financing activities and the increase or decrease in cash and cash equivalents during the year.

Cash and cash equivalents consists of cash in hand and demand deposits with central banks and amounts due from credit institutions and central banks with original maturities shorter than three months.

Calculation of financial highlights
As shown in note 2 on business segments, the Group's financial highlights deviate from the corresponding figures in the consolidated financial statements.

Income from the Danske Markets segment is recognised in the consolidated income statement under Net trading income and Net interest income. The value of each item may vary considerably from year to year, depending on the underlying transactions and changes in market conditions. The financial highlights of the Group show all income from trading activities under Net trading income.

Income and expenses from the Danica Pension segment are consolidated on a line-by-line basis. The return on insurance activities accruing to the Group is determined by the contribution principle and is calculated primarily on life insurance obligations. Since the Group's return is not derived directly from the individual income statement items, net income from insurance business is presented on a single line in the financial highlights.

Changes in segments
At January 1, 2008, the Group merged the presentations of its Mortgage Finance and Banking Activities Denmark business units. The presentation of the financial results of the Group's mortgage finance operations in Denmark now corresponds to the presentation of results for such activities outside Denmark. Comparative figures have been restated.

At April 1, 2008, the activities of Nordania Leasing within real property, construction and agricultural machinery, and capital and IT equipment were transferred from Other Banking Activities to Banking Activities Denmark and Banking Activities Norway. This caused an increase of DKr38m in the profit before tax of Other Banking Activities. Comparative figures have not been restated.

Change in financial highlights
The business unit Other Activities previously covered capital costs, including costs for subordinated debt and long-term funding. Beginning on January 1, 2008, these costs are allocated to the relevant business units of the Group. Moreover, income and costs relating to CDS transactions hedging the credit risk of a mortgage loan portfolio are allocated to Danske Markets.

For 2008, this change raises net interest income by DKr328m and net fee income by DKr417m, but lowers net trading income by DKr745m. Comparative figures have been restated, with the following results for 2007: an increase in net interest income of DKr131m, an increase in net fee income of DKr378m and a decrease in net trading income of DKr509m.

Note

Accordingly, the Other Activities business unit now comprises income and expenses relating to real property, Group support functions and the elimination of returns on own shares and bonds.

Standards and interpretations not yet in force
The International Accounting Standards Board (IASB) has issued a number of amendments to international accounting standards that have not yet come into force. Similarly, the International Financial Reporting Interpretations Committee (IFRIC) has issued a number of interpretations that have not yet come into force. None of these is expected to materially affect the Group's future financial reporting. The sections below list the standards and interpretations that are likely to affect the Group's financial reporting.

In January 2008, amendments to IFRS 3, Business Combinations, and IAS 27, Consolidated and Separate Financial Statements, were issued. The standards, which have not yet been adopted by the EU, regulate the accounting treatment of business combinations and minority interests. The amendments will affect business combinations made after January 1, 2010, only.

In September 2007, amendments to IAS 1, Presentation of Financial Statements: A Revised Presentation, were issued. The amended standard regulates the presentation of the income statement and the balance sheet, including income and expenses that are not included in the income statement. The standard, which is to be implemented in 2009, will have a small effect on the presentation because, in addition to the income statement, the Group will show net profit, other income and expenses in a separate statement of total comprehensive income.

In March 2007, the IASB issued an amendment to IAS 23, Borrowing Costs. The amendment means that borrowing costs directly attributable to the production and preparation of assets must be capitalised as part of the cost of the assets. According to the current accounting policies, borrowing costs are expensed as they are incurred. This change will affect asset capitalisation after January 1, 2009, only. The standard is unlikely to have a material effect on the carrying amounts.

Note

2 Business segmentation

The Group consists of a number of business units and resource and support functions. The Group's activities are segmented into business units according to legislation and product and service characteristics.

Banking Activities caters for all types of retail and corporate customers. The Group's finance centres serve large businesses and private banking customers. Mortgage finance operations in Denmark are carried out through Realkredit Danmark. Real-estate agency operations are carried out by "home", Skandia Mäklarna and Fokus Krogsveen, the Group's real-estate agency chains. At January 1, 2008, the Group merged the reporting of its mortgage finance activities and the activities of its Banking Activities Denmark business unit. The presentation of the financial results of the Group's aggregate mortgage finance operations in Denmark thus corresponds to the presentation of such activities outside Denmark. The merger is a result of the strengthening of Realkredit Danmark's local presence and its partnership with Danske Bank. Employees have transferred from Realkredit Danmark to Banking Activities Denmark to ensure that customers get the best mortgage finance services. At April 1, 2008, the activities of Nordania Leasing within real property, construction and agricultural machinery, and capital and IT equipment were transferred from Other Banking Activities to Banking Activities Denmark and Banking Activities Norway.

Danske Markets is responsible for the Group's activities in the financial markets. Trading activities include trading in fixed-income products, foreign exchange and equities; advisory services on mergers and acquisitions; and assistance with equity and debt issues on the international financial markets. Proprietary trading encompasses the Bank's short-term risk taking. Group Treasury is responsible for the Group's strategic fixed-income, foreign exchange and equity portfolios. Institutional banking includes facilities with international financial institutions.

Danske Capital develops and sells wealth management products and services that are offered through the Group's banking activities and directly to businesses, institutional clients and external distributors. Danske Capital supports the advisory and asset management activities of the Group's banking activities, and through Danske Bank International in Luxembourg, it provides international private banking services to clients outside the Group's home markets. Danske Capital is represented in Denmark, Sweden, Norway, Finland, Estonia, Lithuania and Luxembourg.

Danica Pension is one of the leading life insurers and pension providers on the Danish market. Danica Pension targets both personal and corporate customers. Danica Pension markets its products primarily through its own insurance brokers and advisers and through the Bank's branch network.

Other Activities encompasses expenses for the Group's support functions and real property activities. Other Activities also covers eliminations, including the elimination of returns on own shares.

Furthermore, Other Activities includes the Group's capital centre and specifies the difference between allocated capital and shareholders' equity. Capital is allocated to the individual business unit at a rate of 5.5% (2007: 5.5%) of its average risk-weighted assets. Insurance companies are subject to special statutory capital requirements. Consequently, the shareholders' equity allocated to the insurance business equals the statutory minimum requirement plus 5.5% of the difference between Danica's equity and the minimum requirement.

A calculated income equal to the risk-free return on its allocated capital is apportioned to each business unit. This income is calculated on the basis of the short-term money market rate and allocated from Other Activities. In the segment disclosures, interest amounts are presented on a net basis.

Internal income is allocated on an arm's-length basis. Surplus liquidity is settled primarily on the basis of short-term money market rates, whereas other intra-group balances are settled on an arm's-length basis.

Internal fees, commissions and value adjustments are settled on an arm's-length basis or allocated to the business units at an agreed ratio.

Expenses are allocated to the business units at market price level. Other Activities supplies services to business units, and transactions are settled at unit prices calculated on the basis of consumption and activity in accordance with the rules on transfer pricing.

Assets and liabilities used to maintain the operating activities of a business unit are presented in the financial statements of that unit. Capitalised goodwill is allocated to the business units that recognise the income from the acquisitions made. The financing of goodwill is included in the Group's capital centre under Other Activities.

Note	(DKr m)									
2	Business segments 2008									
(cont'd)		Banking Activities	Danske Markets	Danske Capital	Danica Pension	Other	Elimina-tion	Total	Reclassi-fication	Highlights
	Net interest income	26,921	6,366	271	6,175	-426	239	39,546	-12,541	27,005
	Net fee income	6,700	150	1,430	-651	-20	-	7,609	501	8,110
	Net trading income	1,504	-2,903	-	-10,104	208	601	-10,694	16,770	6,076
	Other income	2,533	5	2	1,130	1,045	-48	4,667	-1,082	3,585
	Net premiums	-	-	-	19,250	-	-	19,250	-19,250	-
	Net insurance benefits	-	-	-	16,531	-	-	16,531	-16,531	-
	Income from equity investments	-	145	-6	19	59	-	217	-217	-
	Net income from insurance business	-	-	-	-	-	-	-	-1,733	-1,733
	Total income	37,658	3,763	1,697	-712	866	792	44,064	-1,021	43,043
	Operating expenses	25,048	2,530	922	1,021	274	-48	29,747	-1,021	28,726
	Profit before loan impair-ment charges	12,610	1,233	775	-1,733	592	840	14,317	-	14,317
	Loan impairment charges	8,532	3,237	319	-	-	-	12,088	-	12,088
	Profit before tax	4,078	-2,004	456	-1,733	592	840	2,229	-	2,229
	Loans and advances, excluding reverse transactions	1,706,198	68,204	21,985	-	1,414	-12,478	1,785,323	-	1,785,323
	Other assets	370,051	4,698,756	12,526	230,230	904,084	-4,456,996	1,758,651	-	1,758,651
	Total assets	2,076,249	4,766,960	34,511	230,230	905,498	-4,469,474	3,543,974	-	3,543,974
	Deposits, excluding repo deposits	587,590	207,524	7,276	-	4,175	-6,268	800,297	-	800,297
	Other liabilities	1,417,524	4,556,449	26,485	224,985	883,193	-4,463,206	2,645,430	-	2,645,430
	Allocated capital	71,135	2,987	750	5,245	18,130	-	98,247	-	98,247
	Total liabilities and equity	2,076,249	4,766,960	34,511	230,230	905,498	-4,469,474	3,543,974	-	3,543,974
	Internal income	14,461	22,251	778	3,373	-40,863	-	-		
	Amortisation and depreciation charges	2,153	6	48	4	956	-	3,167		
	Impairment charges for intangible and tangible assets	3,254	-	-	1	9	-	3,264		
	Reversals of impairment charges	-	-	-	-	-	-	-		
	Pre-tax profit as % of allocated capital (avg.)	5.7	-67.1	60.8	-33.0	3.3	-	2.3		
	Cost/income ratio (%)	66.5	67.2	54.3	-	31.6	-	67.5		
	Full-time-equivalent staff (avg.)	14,345	917	574	955	6,964	-	23,755		

In its financial highlights, the Group recognises earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. The Reclassification column shows the adjustments made to the detailed figures in the calculation of the highlights.

Note	(DKr m)									
2	**Business segments 2007**									
(cont'd)		Banking Activities	Danske Markets	Danske Capital	Danica Pension	Other	Elimina-tion	Total	Reclassi-fication	Highlights
	Net interest income	24,314	2,423	203	5,517	-116	217	32,558	-8,167	24,391
	Net fee income	7,467	380	1,702	-668	-3	-	8,878	288	9,166
	Net trading income	1,531	2,483	53	1,880	-73	85	5,959	1,419	7,378
	Other income	2,513	11	4	1,837	515	-35	4,845	-1,835	3,010
	Net premiums	-	-	-	17,089	-	-	17,089	-17,089	-
	Net insurance benefits	-	-	-	23,523	-	-	23,523	-23,523	-
	Income from equity investments	11	258	-9	14	11	-	285	-285	-
	Net income from insurance business	-	-	-	-	-	-	-	1,118	1,118
	Total income	35,836	5,555	1,953	2,146	334	267	46,091	-1,028	45,063
	Operating expenses	21,078	2,630	898	1,028	475	-11	26,098	-1,028	25,070
	Profit before loan impairment charges	14,758	2,925	1,055	1,118	-141	278	19,993	-	19,993
	Loan impairment charges	674	15	-2	-	-	-	687	-	687
	Profit before tax	14,084	2,910	1,057	1,118	-141	278	19,306	-	19,306
	Loans and advances, excluding reverse transactions	1,632,539	61,127	27,192	-	27,180	-47,039	1,700,999	-	1,700,999
	Other assets	383,859	4,237,159	14,237	235,502	528,984	-3,751,210	1,648,531	-	1,648,531
	Total assets	2,016,398	4,298,286	41,429	235,502	556,164	-3,798,249	3,349,530	-	3,349,530
	Deposits, excluding repo deposits	607,013	182,081	8,836	-	3,061	-2,717	798,274	-	798,274
	Other liabilities	1,346,330	4,114,612	31,862	230,617	519,012	-3,795,532	2,446,901	-	2,446,901
	Allocated capital	63,055	1,593	731	4,885	34,091	-	104,355	-	104,355
	Total liabilities and equity	2,016,398	4,298,286	41,429	235,502	556,164	-3,798,249	3,349,530	-	3,349,530
	Internal income	14,264	17,401	794	1,644	-34,103	-	-		
	Amortisation and depreciation charges	2,593	13	40	-	868	-	3,514		
	Impairment charges for intangible and tangible assets	1	-	-	-	19	-	20		
	Reversals of impairment charges	-	-	-	-	69	-	69		
	Pre-tax profit as % of allocated capital (avg.)	22.3	182.7	144.6	22.9	-0.4	-	18.5		
	Cost/income ratio (%)	58.8	47.3	46.0	47.9	142.2	-	56.6		
	Full-time-equivalent staff (avg.)	14,401	881	545	934	6,855	-	23,616		

In its financial highlights, the Group recognises earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. The Reclassification column shows the adjustments made to the detailed figures in the calculation of the highlights.

Note	(DKr m)	2008	2007
2	Income broken down by type of product		
(cont'd)	Corporate banking	12,199	10,918
	Home	11,061	10,358
	Trading	5,981	8,063
	Day-to-day banking	8,651	8,154
	Wealth management	2,598	2,600
	Leasing	2,540	2,230
	Insurance	-624	3,167
	Other	1,658	601
	Total	44,064	46,091

Corporate banking comprises interest and fee income from transactions with corporate customers. Home comprises interest and fee income from home financing and home savings products. Trading comprises income from fixed-income and foreign exchange products, including brokerage. Day-to-day banking comprises income from personal banking products in the form of personal loans, cards and deposits. Wealth management comprises income from management of assets, including pooled assets and assets in unit trusts. Leasing encompasses income from both finance and operating leases through the Bank's leasing operations. Insurance comprises income from Danica Pension and services sold to customers through the Bank.

In accordance with IFRSs, the Danske Bank Group is required to disclose business with a single customer that generates 10% or more of the combined revenue. The Group has no such customers.

Geographical segmentation

Income from external customers is broken down by the customer's country of residence, whereas assets (comprising only intangible assets, investment property, tangible assets and holdings in associated undertakings) are broken down by location. Goodwill is allocated to the country in which activities are performed.

Geographical segmentation of income and assets is shown in compliance with IFRSs and does not reflect the Group's management structure. The management believes that business segmentation provides a more informative description of the Group's activities.

	Income external customers		Assets	
	2008	2007	2008	2007
Denmark	17,817	19,185	15,967	16,485
Finland	3,223	2,904	16,338	16,873
Sweden	5,524	4,505	176	186
Norway	4,301	3,917	585	760
Ireland	2,192	1,918	556	3,593
Baltics	1,656	484	3,629	3,683
UK	5,062	7,665	2,276	3,018
Germany	610	836	1	1
Luxembourg	328	237	35	41
Poland	165	126	-	-
US	722	2,243	-	-
Other	2,464	2,071	1	-
Total	44,064	46,091	39,564	44,640

Note	(DKr m)									
3	Banking Activities 2008, geographical breakdown	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	Total
	Net interest income	15,555	3,352	2,120	2,095	1,508	1,284	638	369	26,921
	Net fee income	3,839	1,037	673	394	362	160	162	73	6,700
	Net trading income	826	78	108	152	124	62	109	45	1,504
	Other income	773	241	52	327	19	9	20	1,092	2,533
	Income from equity investments	-	-	-	-	-	-	-	-	-
	Total income	20,993	4,708	2,953	2,968	2,013	1,515	929	1,579	37,658
	Goodwill impairment charges	-	-	-	141	-	2,940	-	-	3,081
	Other operating expenses	10,608	3,943	1,555	1,773	1,363	991	525	1,209	21,967
	Operating expenses	10,608	3,943	1,555	1,914	1,363	3,931	525	1,209	25,048
	Profit before loan impairment charges	10,385	765	1,398	1,054	650	-2,416	404	370	12,610
	Loan impairment charges	4,354	511	520	489	641	1,700	295	22	8,532
	Profit before tax	6,031	254	878	565	9	-4,116	109	348	4,078

	Banking Activities 2007, geographical breakdown	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	Total
	Net interest income	14,043	2,822	1,846	1,698	1,802	1,085	537	481	24,314
	Net fee income	4,234	1,210	656	461	491	182	132	101	7,467
	Net trading income	955	26	97	147	109	67	66	64	1,531
	Other income	227	209	58	308	15	12	15	1,669	2,513
	Income from equity investments	-	11	-	-	-	-	-	-	11
	Total income	19,459	4,278	2,657	2,614	2,417	1,346	750	2,315	35,836
	Operating expenses	9,374	3,383	1,495	1,618	2,108	1,130	426	1,544	21,078
	Profit before loan impairment charges	10,085	895	1,162	996	309	216	324	771	14,758
	Loan impairment charges	-186	270	69	53	31	117	54	266	674
	Profit before tax	10,271	625	1,093	943	278	99	270	505	14,084

The table above breaks down the Banking Activities segment by country. At April 1, 2008, the activities of Nordania Leasing within real property, construction and agricultural machinery, and capital and IT equipment were transferred from Other Banking Activities to Banking Activities Denmark and Banking Activities Norway. This caused an increase of DKr38m in the profit before tax of Other Banking Activities. Comparative figures have not been restated.

Note	(DKr m)					
4	**Net interest and net trading income**					
	2008	Interest income	Interest expense	Net interest income	Net trading income	Total
	Financial portfolios at amortised cost					
	Due from/to credit institutions and central banks	9,098	25,958	-16,860	-198	-17,058
	Repo and reverse transactions	20,587	11,484	9,103	-	9,103
	Loans, advances and deposits	68,570	25,813	42,757	3,254	46,011
	Held-to-maturity investments	250	-	250	-	250
	Other issued bonds	-	19,403	-19,403	-5,800	-25,203
	Subordinated debt	-	2,131	-2,131	-3,048	-5,179
	Other financial instruments	644	1,562	-918	2	-916
	Total	99,149	86,351	12,798	-5,790	7,008
	Financial portfolios at fair value					
	Loans and advances at fair value and bonds issued by Realkredit Danmark	32,769	24,508	8,261	-	8,261
	Trading portfolio and investment securities	11,327	-	11,327	3,632	14,959
	Assets and deposits under pooled schemes and unit-linked investment contracts	-	-	-	142	142
	Assets and liabilities under insurance contracts	7,160	-	7,160	-8,678	-1,518
	Total	51,256	24,508	26,748	-4,904	21,844
	Total net interest and net trading income	150,405	110,859	39,546	-10,694	28,852
	2007					
	Financial portfolios at amortised cost					
	Due from/to credit institutions and central banks	6,855	27,594	-20,739	-145	-20,884
	Repo and reverse transactions	21,334	10,685	10,649	-	10,649
	Loans, advances and deposits	55,008	19,371	35,637	-1,043	34,594
	Held-to-maturity investments	206	-	206	-	206
	Other issued bonds	-	17,668	-17,668	166	-17,502
	Subordinated debt	-	2,291	-2,291	478	-1,813
	Other financial instruments	373	987	-614	3	-611
	Total	83,776	78,596	5,180	-541	4,639
	Financial portfolios at fair value					
	Loans and advances at fair value and bonds issued by Realkredit Danmark	29,150	22,613	6,537	-1,281	5,256
	Trading portfolio and investment securities	15,259	-	15,259	5,880	21,139
	Assets and deposits under pooled schemes and unit-linked investment contracts	-	-	-	-118	-118
	Assets and liabilities under insurance contracts	5,582	-	5,582	2,019	7,601
	Total	49,991	22,613	27,378	6,500	33,878
	Total net interest and net trading income	133,767	101,209	32,558	5,959	38,517

Net trading income for 2008 includes dividends from shares of DKr3,363m (2007: DKr2,417m) and exchange rate adjustments of DKr1,878m (2007: DKr1,686m).

Net trading income from insurance contracts includes returns on assets of DKr-16,861m (2007: DKr-4,368m), adjustment of additional provisions of DKr-4,996m (2007: DKr5,665m), adjustment of collective bonus potential of DKr11,911m (2007: DKr811m) and tax on pension returns of DKr1,268m (2007: DKr-89m).

Interest added to financial assets subject to individual impairment amounted to DKr888m (2007: DKr319m).

Note	(DKr m)	2008	2007
5	**Fee income**		
	Financing (loans, advances and guarantees)	1,706	1,893
	Investment (securities trading and advisory services)	2,175	3,088
	Services (insurance and foreign exchange trading)	119	117
	Fees generated by activities	4,000	5,098
	Financing (guarantees)	702	683
	Investment (asset management and custody services)	2,955	3,236
	Services (payment services and cards)	3,389	3,414
	Fees generated by portfolios	7,046	7,333
	Total	11,046	12,431
	Fee expenses		
	Financing (property valuation)	35	91
	Investment (securities trading and advisory services)	802	988
	Services (referrals)	11	25
	Fees generated by activities	848	1,104
	Financing (guarantees)	450	399
	Investment (asset management and custody services)	637	600
	Services (payment services and cards)	1,502	1,450
	Fees generated by portfolios	2,589	2,449
	Total	3,437	3,553

Fees generated by activities comprises fees for the execution of one-off transactions. Fees generated by portfolios comprises recurring fees from the product portfolio.

Fees that form an integral part of the effective rates of interest on loans, advances and deposits are carried under Interest income or Interest expense. Fees for mortgage loans recognised at fair value are carried under Fee income.

Fees for financial instruments not recognised at fair value, such as loans, advances and issued bonds, are recognised as financing fee income or expenses. Such income amounted to DKr1,719m in 2008 (2007: DKr1,433m), whereas expenses amounted to DKr450m (2007: DKr399m).

Note		2008	2007
6	**Other income**		
	Fair value adjustment of investment property	66	179
	Fair value adjustment of investment property allocated to policyholders	184	763
	Profit on sale of domicile and investment property	512	78
	Income from lease assets and investment property	2,992	2,723
	Reversals of impairment charges for domicile property	-	69
	Other income	913	1,033
	Total	4,667	4,845
7	**Net premiums**		
	Regular premiums, life insurance	8,020	7,957
	Single premiums, life insurance	2,803	2,206
	Regular premiums, market-based products	4,696	3,684
	Single premiums, market-based products	2,385	2,029
	Premiums, health and accident insurance	1,388	1,259
	Reinsurance premiums paid	-117	-99
	Change in unearned premiums provisions	75	53
	Total	19,250	17,089

Note	(DKr m)	2008	2007
8	Net insurance benefits		
	Benefits paid	14,707	15,826
	Reinsurers' share received	-126	-119
	Claims and bonuses paid	1,185	1,123
	Change in outstanding claims provisions	244	197
	Change in life insurance provisions	1,304	178
	Change in provisions for unit-linked contracts	-783	6,318
	Total	16,531	23,523
9	Staff costs and administrative expenses		
	Staff costs	13,235	13,566
	Administrative expenses	10,081	8,998
	Total	23,316	22,564
	Staff costs		
	Salaries	10,599	10,895
	Share-based payments (for 2007 and earlier years)	47	170
	Pensions	1,320	1,289
	Financial services employer tax	1,269	1,212
	Total	13,235	13,566
	Remuneration of the Board of Directors (DKr thousands)		
	Alf Duch-Pedersen	1,300	1,300
	Jørgen Nue Møller (until March 4, 2008)	312	1,250
	Eivind Kolding	1,250	1,250
	Henning Christophersen	525	525
	Peter Højland	525	525
	Mats Jansson (from March 4, 2008)	271	-
	Niels Chr. Nielsen	525	525
	Sten Scheibye	525	525
	Majken Schultz	525	525
	Claus Vastrup	525	525
	Birgit Aagaard-Svendsen	525	525
	Helle Brøndum	325	325
	Charlotte Hoffmann	325	325
	Per Alling Toubro	325	325
	Verner Usbeck	325	325
	Solveig Ørteby	325	325
	Total remuneration	8,433	9,100
	Remuneration for committee work included in preceding item	2,475	2,925

Note	(DKr m)				
9	Remuneration of the Executive Board				
(cont'd)	2008	Peter Straarup	Sven Lystbæk	Tonny Thierry Andersen	Per Skovhus
	Contractual remuneration	7.1	3.9	3.3	3.2
	Pension	1.5	2.5	0.6	0.6
	Cash bonus	0.0	-	-	-
	Share-based payment	-	-	-	-
	Total	8.6	6.4	3.9	3.8

In accordance with the Group's general staff policies, Peter Straarup received a 40-year anniversary benefit, equal to two months' salary, and Sven Lystbæk received a 25-year anniversary benefit, equal to one month's salary.

2007	Peter Straarup	Sven Lystbæk	Tonny Thierry Andersen	Per Skovhus
Fixed salary	6.1	3.8	3.1	3.1
Pension	1.5	2.4	0.6	0.6
Cash bonus	1.0	0.5	0.5	0.5
Share-based payment	4.0	2.1	2.1	2.1
Total	12.6	8.8	6.3	6.3

Jakob Brogaard resigned from the Executive Board on June 30, 2007. In 2007, the Group reported the following remuneration for Mr Brogaard: Fixed salary: DKr1.8m. Cash bonus: DKr0.2m. Pension: DKr1.3m. Share-based payment: DKr0.8m.

Pension and termination

	Peter Straarup	Sven Lystbæk	Tonny Thierry Andersen	Per Skovhus
Type of pension plan	Defined benefit	Defined benefit	Defined contribution through pension fund	Defined contribution through pension fund
Age at which the board member is entitled to retire	60	60	60	60
Annual benefit or contribution	DKr3.0m	50% of salary	Bank contributes 20% of salary	Bank contributes 20% of salary
Notice of termination by the Bank	12 months with life pension	12 months with life pension	12 months	12 months
Notice of termination by the board member	12 months	3 months	3 months	3 months
Pension obligation, end of 2008	45	25	-	-
Pension obligation, end of 2007	42	23	-	-

Pension obligations to Peter Straarup and Sven Lystbæk are covered by the "Danske Bank A/S' pensionsfond for medlemmer af direktionen, deres enker og efterladte børn" pension fund. Danske Bank A/S is liable for any shortfall. The obligations are determined on the basis of actuarial computations and a number of assumptions (see note 36). Therefore, changes in pension obligations cannot reasonably be added to the annual remuneration.

If Mr Straarup retires at a later date, the pension obligation to him will be increased by the pension benefit not paid out. The obligation will be adjusted on an ongoing basis using the rate of adjustment that applies to the pension plans in payment to retired members of the Executive Board.

Note	(DKr m)
9	Shareholdings
(cont'd)	The number of Danske Bank shares, excluding options and rights to buy conditional shares, held by the Board of Directors and the Executive Board at the end of 2008 totalled 93,328 and 36,784, respectively (end of 2007: 56,016 and 26,034). Note 43 contains details on related parties.

Share-based payment

Until 2008, the Group offered senior staff and selected employees incentive programmes that consisted of share options and conditional shares. Incentive payments reflected individual performance and also depended on financial results and other measures of value creation. The options and shares were granted in the first quarter of the following year.

Issued options carry a right to buy Danske Bank shares exercisable from three to seven years after they are granted provided that the employee has not resigned from the Group. The exercise price of the options is computed as the average price of Danske Bank shares for 20 stock exchange days after the release of the annual report plus 10%.

Until 2008, rights to buy Danske Bank shares under the conditional share programme were granted as a portion of the annual bonus earned. The shares vest after three years provided that the employee has not resigned from the Group.

The fair value of the share options at the grant date is calculated according to a dividend-adjusted Black & Scholes formula based on the following assumptions: Share price: 179.76 (2007: 252). Dividend payout ratio: 3.9%. (2007: 3.1%). Rate of interest: 4.7% (2007: 4%), equal to the swap rate. Volatility: 19%. (2007: 18%). Average time of exercise: 5 years (2007: 5 years). The volatility is estimated on the basis of historical volatility.

The fair value of the conditional shares at the grant date is calculated as the share price less the payment made by the employee.

Intrinsic value is recognised in the year in which the share options and rights to conditional shares vest, while time value is accrued over the remaining service period, which is the vesting period of three years. Shareholders' equity will increase correspondingly as the obligation is met by settlement in Danske Bank shares.

Note								
9	Share-based payment 2008							
(cont'd)	Share options	Number					Fair value (FV)	
		Executive Board	Senior staff	Other staff	Total	Exercise price (DKr)	At issue (DKr m)	End of year (DKr m)
	Granted in 2002-2005, beg.	584,332	2,762,246	767,590	4,114,168	118.5-190.2	71.9	0.2
	Exercised	-	-47,215	-41,005	-88,220			
	Forfeited	-	-62,296	-	-62,296			
	Other changes	-	-313,761	340,094	26,333			
	Granted in 2002-2005, end	584,332	2,338,974	1,066,679	3,989,985	118.5-190.2	68.7	0.2
	Granted in 2006, beg.	283,900	1,574,000	138,600	1,996,500	244.6	32.9	-
	Exercised	-	-	-	-			
	Forfeited	-	-96,300	-	-96,300			
	Other changes	-	-138,900	138,900	-			
	Granted in 2006, end	283,900	1,338,800	277,500	1,900,200	244.6	31.4	-
	Granted in 2007, beg.	185,500	1,175,200	1,136,500	2,497,200	294.1	74.9	-
	Exercised	-	-	-	-			
	Forfeited	-	-87,500	-23,800	-111,300			
	Other changes	-	-210,900	222,900	12,000			
	Granted in 2007, end	185,500	876,800	1,335,600	2,397,900	294.1	71.9	-
	Granted in 2008	232,750	1,555,830	-	1,788,580	197.7	39.3	0.3
	Exercised	-	-	-	-			
	Forfeited	-	-86,290	-	-86,290			
	Other changes	-	-72,300	72,300	-			
	Granted in 2008, end	232,750	1,397,240	72,300	1,702,290	197.7	37.5	0.3

Holdings of the Executive Board, end of 2008

Grant year	2002-2005		2006		2007		2008	
(DKr m)	Number	FV	Number	FV	Number	FV	Number	FV
Peter Straarup	320,021	-	113,600	-	75,000	-	90,910	-
Sven Lystbæk	95,082	-	71,900	-	41,600	-	47,280	-
Tonny Thierry Andersen	103,655	-	56,800	-	40,400	-	47,280	-
Per Skovhus	65,574	-	41,600	-	28,500	-	47,280	-

Share options granted in 2008 relate to the grant in the first quarter of 2008 of options that vested in 2007.

In 2008, 88,220 share options were exercised at an average price of DKr180.1.

Note							
9	Share-based payment 2008						
(cont'd)	Conditional shares	Number				Fair value (FV)	
		Executive Board	Senior staff	Other staff	Total	At issue (DKr m)	End of year (DKr m)
	Granted in 2005, beg.	9,277	54,348	344,098	407,723	70.5	21.2
	Exercised	-9,277	-54,348	-338,372	-401,997		
	Forfeited	-	-	-5,407	-5,407		
	Other changes	-	-	-319	-319		
	Granted in 2005, end	-	-	-	-	-	-
	Granted in 2006, beg.	21,294	117,890	407,867	547,051	121.6	28.4
	Exercised	-	-4,233	-7,744	-11,977		
	Forfeited	-	-7,641	-27,913	-35,554		
	Other changes	-	1,331	56,910	58,241		
	Granted in 2006, end	21,294	107,347	429,120	557,761	124.0	29.0
	Granted in 2007, beg.	21,052	120,413	408,341	549,806	147.0	28.6
	Exercised	-	-3,186	-6,535	-9,721		
	Forfeited	-	-6,696	-22,294	-28,990		
	Other changes	-	-111	-367	-478		
	Granted in 2007, end	21,052	110,420	379,145	510,617	136.5	26.6
	Granted in 2008	28,779	241,236	703,391	973,406	175.0	50.6
	Exercised	-	-4,709	-2,099	-6,808		
	Forfeited	-	-11,905	-20,642	-32,547		
	Other changes	-	-	4,779	4,779		
	Granted in 2008, end	28,779	224,622	685,429	938,830	168.8	48.8

Holdings of the Executive Board, end of 2008

Grant year	2006		2007		2008	
(DKr m)	Number	FV	Number	FV	Number	FV
Peter Straarup	8,520	0.4	8,500	0.4	11,240	0.6
Sven Lystbæk	5,393	0.3	4,724	0.2	5,845	0.3
Tonny Thierry Andersen	4,258	0.2	4,588	0.2	5,847	0.3
Per Skovhus	3,123	0.2	3,240	0.2	5,847	0.3

Rights to conditional shares granted in 2008 relate to the grant in the first quarter of 2008 of rights that vested in 2007.

In 2008, 430,503 rights to conditional shares were exercised at an average price of DKr181.0.

Note								
9	Share-based payment 2007							
(cont'd)	Share options	Number					Fair value (FV)	
		Executive Board	Senior staff	Other staff	Total	Exercise price (DKr)	At issue (DKr m)	End of year (DKr m)
	Granted in 2001-2004, beg.	655,297	1,733,699	565,243	2,954,239	118.5-157.2	62.5	154.5
	Exercised	-349,752	-865,772	-183,599	-1,399,123			
	Forfeited	-	-	-	-			
	Other changes	-86,000	-16,667	134,932	32,265			
	Granted in 2001-2004, end	219,545	851,260	516,576	1,587,381	118.5-157.2	33.4	85.7
	Granted in 2005, beg.	459,869	2,105,085	79,866	2,644,820	190.2	40.3	77.4
	Exercised	-	-	-	-			
	Forfeited	-	-118,033	-	-118,033			
	Other changes	-95,082	-76,066	171,148	-			
	Granted in 2005, end	364,787	1,910,986	251,014	2,526,787	190.2	38.5	74.0
	Granted in 2006, beg.	340,700	1,751,000	-	2,091,700	244.6	34.5	33.3
	Exercised	-	-	-	-			
	Forfeited	-	-95,200	-	-95,200			
	Other changes	-56,800	-81,800	138,600	-			
	Granted in 2006, end	283,900	1,574,000	138,600	1,996,500	244.6	32.9	31.7
	Granted in 2007	216,700	884,300	1,132,200	2,233,200	294.1	67.0	24.4
	Exercised	-	-	-	-			
	Forfeited	-	-19,000	-40,800	-59,800			
	Other changes	-31,200	309,900	45,100	323,800			
	Granted in 2007, end	185,500	1,175,200	1,136,500	2,497,200	294.1	74.9	27.3

Holdings of the Executive Board, end of 2007

Grant year	2001-2004		2005		2006		2007	
(DKr m)	Number	FV	Number	FV	Number	FV	Number	FV
Peter Straarup	173,267	9.9	146,754	4.3	113,600	1.8	75,000	0.8
Sven Lystbæk	-	-	95,082	2.8	71,900	1.1	41,600	0.5
Tonny Thierry Andersen	46,278	2.7	57,377	1.7	56,800	0.9	40,400	0.4
Per Skovhus	-	-	65,574	1.9	41,600	0.7	28,500	0.3

In 2007, 1,399,123 share options were exercised at an average price of DKr264.5.

Note							
9	Share-based payment 2007						
(cont'd)	Conditional shares	Number				Fair value (FV)	
		Executive Board	Senior staff	Other staff	Total	At issue (DKr m)	End of year (DKr m)
	Granted in 2004, beg.	10,068	50,822	204,523	265,413	37.9	53.0
	Exercised	-10,068	-50,822	-205,800	-266,690		
	Forfeited	-	-	1,277	1,277		
	Other changes	-	-	-	-		
	Granted in 2004, end	-	-	-	-	-	-
	Granted in 2005, beg.	11,395	61,912	369,168	442,475	76.5	88.4
	Exercised	-	-2,693	-9,382	-12,075		
	Forfeited	-	-3,993	-21,547	-25,540		
	Other changes	-2,118	-878	5,859	2,863		
	Granted in 2005, end	9,277	54,348	344,098	407,723	70.5	81.4
	Granted in 2006, beg.	25,552	129,876	420,022	575,450	127.9	114.9
	Exercised	-	-6,235	-8,112	-14,347		
	Forfeited	-	-7,170	-28,345	-35,515		
	Other changes	-4,258	1,419	24,302	21,463		
	Granted in 2006, end	21,294	117,890	407,867	547,051	121.6	109.3
	Granted in 2007	24,593	123,835	410,960	559,388	149.6	111.7
	Exercised	-	-	-1,654	-1,654		
	Forfeited	-	-1,206	-21,470	-22,676		
	Other changes	-3,541	-2,216	20,505	14,748		
	Granted in 2007, end	21,052	120,413	408,341	549,806	147.0	109.8

Holdings of the Executive Board, end of 2007

Grant year	2005		2006		2007	
(DKr m)	Number	FV	Number	FV	Number	FV
Peter Straarup	3,505	0.7	8,520	1.7	8,500	1.7
Sven Lystbæk	2,118	0.4	5,393	1.1	4,724	0.9
Tonny Thierry Andersen	2,192	0.4	4,258	0.9	4,588	0.9
Per Skovhus	1,462	0.3	3,123	0.6	3,240	0.6

In 2007, 294,766 rights to conditional shares were exercised at an average price of DKr263.6.

Note	(DKr m)	2008	2007
10	**Audit fees**		
	Total fees to the audit firms appointed by the general meeting that perform the statutory audit	26	21
	Fees for non-audit services included in preceding item	10	5
11	**Amortisation, depreciation and impairment charges**		
	Amortisation charges for intangible assets	1,087	1,642
	Depreciation charges for tangible assets	1,606	1,872
	Write-offs of residual value of lease assets sold	474	-
	Impairment charges for intangible assets	3,084	1
	Impairment charges for tangible assets	180	19
	Total	6,431	3,534

Impairment charges for tangible assets in 2008 include an impairment charge of DKr173m for vehicles held under operating leases due to declining used-car prices.

Note	(DKr m)	2008	2007
12	**Loan impairment charges**		
	Due from credit institutions and central banks	42	-
	Loans and advances	10,747	622
	Loans and advances at fair value	443	-6
	Private Contingency Association	508	-
	Guarantees and loan commitments	348	71
	Total	12,088	687
	New and increased impairment charges	13,541	3,965
	Reversals of impairment charges	1,534	3,166
	Write-offs charged directly to the income statement	523	366
	Received on claims previously written off	442	478
	Total	12,088	687
	Loan impairment charges broken down by business unit		
	Banking Activities Denmark	4,354	-186
	Banking Activities Finland	511	270
	Banking Activities Sweden	520	69
	Banking Activities Norway	489	53
	Banking Activities Northern Ireland	641	31
	Banking Activities Ireland	1,700	117
	Banking Activities Baltics	295	54
	Other Banking Activities	22	266
	Danske Markets	3,237	15
	Danske Capital	319	-2
	Total	12,088	687

Note	(DKr m)								
13	Tax 2008	Denmark	Finland	Sweden	Norway	UK	Ireland	Other	Total
	Tax on profit for the year	555	230	551	375	-536	-85	103	1,193
	Tax on changes in shareholders' equity	-292	-	-	-	-	-	-	-292
	Tax on profit for the year								
	Current tax charge	795	366	541	381	47	25	165	2,320
	Change in deferred tax	-76	-136	8	1	-583	-141	-51	-978
	Adjustment of prior-year tax charges	-164	-	8	-7	-	31	-17	-149
	Change in deferred tax charge as a result of lowered tax rate	-	-	-6	-	-	-	6	-
	Total	555	230	551	375	-536	-85	103	1,193
	Effective tax rate								
	Tax rate	25.0	26.0	28.0	28.0	28.0	-12.3	18.3	29.0
	Non-taxable income and non-deductible expenses	-1.5	-	-0.7	2.4	-0.2	9.3	1.7	31.2
	Tax on profit for the year	23.5	26.0	27.3	30.4	27.8	-3.0	20.0	60.2
	Adjustment of prior-year tax charges	-4.9	-	0.5	-0.7	-	0.8	-3.1	-6.7
	Change in deferred tax charge as a result of lowered tax rate	-	-	-0.4	-	-	-	1.2	-
	Effective tax rate	18.6	26.0	27.4	29.7	27.8	-2.2	18.1	53.5
	Tax 2007	Denmark	Finland	Sweden	Norway	UK	Ireland	Other	Total
	Tax on profit for the year	2,562	396	356	575	381	10	156	4,436
	Tax on changes in shareholders' equity	-196	-	-	-	-	-	-	-196
	Tax on profit for the year								
	Current tax charge	2,566	596	318	583	435	45	179	4,722
	Change in deferred tax	229	-171	38	-45	-83	-22	-48	-102
	Adjustment of prior-year tax charges	-27	-29	-	37	5	-13	14	-13
	Change in deferred tax charge as a result of lowered tax rate	-206	-	-	-	24	-	11	-171
	Total	2,562	396	356	575	381	10	156	4,436
	Effective tax rate								
	Tax rate	25.0	26.0	28.0	28.0	30.0	11.6	16.9	25.5
	Non-taxable income and non-deductible expenses	-0.9	-0.6	-7.8	-0.3	-0.2	-0.4	0.3	-1.5
	Tax on profit for the year	24.1	25.4	20.2	27.7	29.8	11.2	17.2	24.0
	Adjustment of prior-year tax charges	-0.1	-1.8	-	1.8	1.5	-6.1	0.1	-0.1
	Change in deferred tax charge as a result of lowered tax rate	-1.7	-	-	-	2.2	-	1.6	-0.9
	Effective tax rate	22.3	23.6	20.2	29.5	33.5	5.1	18.9	23.0

Note	(DKr m)	2008	2007
14	**Cash in hand and demand deposits with central banks**		
	Cash in hand	6,411	7,048
	Demand deposits with central banks	9,968	6,813
	Total	16,379	13,861
15	**Due from credit institutions and central banks**		
	Reverse transactions	136,028	217,717
	Other amounts due	79,838	128,243
	Impairment charges	43	1
	Total	215,823	345,959
	Impairment charges		
	At January 1	1	1
	New and increased impairment charges	42	-
	Foreign currency translation	-	-
	Other additions and disposals	-	-
	At December 31	43	1

Amounts due within three months amounted to DKr186,349m (2007: DKr324,466m). This amount is included in the cash flow statement under Cash and cash equivalents.

Note	(DKr m)	2008	2007
16	Trading portfolio assets		
	Derivatives with positive fair value	574,456	224,616
	Listed bonds	278,860	420,769
	Unlisted bonds	5,951	4,331
	Listed shares	1,397	2,037
	Unlisted shares	124	384
	Total	860,788	652,137
	Trading portfolio liabilities		
	Derivatives with negative fair value	581,521	220,787
	Obligations to repurchase securities	41,769	110,760
	Total	623,290	331,547

Derivatives

The Group's activities in the financial markets include trading in derivatives. Derivatives are financial instruments whose value depends on the value of an underlying instrument or index, etc. Derivatives can be used for adjusting market risk exposure, for example. The Group trades a considerable volume of the most commonly used interest rate, currency and equity derivatives, including

- swaps
- forwards and futures
- options

Furthermore, the Group trades a limited number of swaps whose value depends on developments in specific credit or commodity risks, or inflation indices.

The Group trades derivatives for three main purposes: first, customers are offered derivatives as individual transactions or as integral parts of other services, such as issuance of bonds with yields that depend on developments in equity or currency indices. Second, the Group trades derivatives in its own trading portfolio. Third, derivatives are used for managing the Group's own exposure to currency, interest rate, equity market and credit risks. See the Risk management notes for a detailed description of the Group's risk management policy. Danske Markets is responsible for managing and hedging the market risks of the Group.

Derivatives are recognised and measured at fair value. Interest on some of the Group's bank loans, advances, deposits, issued bonds, etc., is added at fixed rates. Generally, such fixed-rate items are carried at amortised cost. In accordance with general accounting standards, the fair value of the interest rate risk on fixed-rate loans, for example, is not included in the income statement as opposed to changes in the fair value of hedging derivatives. In addition, the Group classifies certain bonds as available-for-sale financial assets. Unrealised value adjustments of such bonds are recognised directly in shareholders' equity. In its annual report, the Group uses fair value hedge accounting if the interest rate risk on fixed-rate financial assets and liabilities is hedged by derivatives.

Fair value hedge accounting

The interest rate risk on fixed-rate assets and liabilities with terms longer than six months is generally hedged by derivatives.
The interest rate risk on fixed-rate loans and advances extended by the Group's operations in Finland, Northern Ireland and Ireland is, however, hedged by core free funds. Any additional interest rate risk is hedged by derivatives.

For hedged assets and liabilities to which a fixed rate of interest applies for a specified period of time starting at the commencement date of the agreement, future interest payments are divided into basic interest and a profit margin and into periods of time. By entering into swaps or forwards with matching payment profiles in the same currencies and for the same periods, the Group hedges the risk from the commencement date. The fair values of the hedged interest rate risk and the hedging derivatives are measured at frequent intervals to ensure that changes in the fair value of the hedged interest rate risk lie within a band of 80-125% of the changes in the fair value of the hedging derivatives. Portfolios of hedging derivatives are adjusted if necessary.

With effective hedging, the hedged interest rate risk on hedged assets and liabilities is measured at fair value and recognised as a value adjustment of the hedged items. Value adjustments are carried in the income statement under Net trading income. Any ineffective portion of a hedge which lies within the range for effective hedging is therefore also included under Net trading income.

Note	(DKr m)	2008	2007

16 (cont'd) At the end of 2008, the carrying amounts of effectively hedged fixed-rate financial assets and liabilities were DKr89,994m (2007: DKr67,504m) and DKr1,122,858m (2007: DKr851,083m), respectively. The following table shows the value adjustments of these assets and liabilities and the hedging derivatives. The value adjustments are recognised in the income statement as Net trading income.

The Group hedges the exchange rate risk of net investments in non-Danish branches and subsidiaries by establishing financing arrangements in the matching currencies. The Group does not hedge the expected financial results of non-Danish units or other future transactions. The exchange rate adjustments of the investments are recognised directly in shareholders' equity together with the exchange rate adjustments of the financing arrangements designated as hedging of exchange rate fluctuations. The statement of capital shows the translation amounts included in shareholders' equity. At the end of 2008, the carrying amount of financial liabilities used to hedge net investments in non-Danish units amounted to DKr44,335m (2007: DKr81,939m).

Effect of interest rate hedging on profit	2008	2007
Effect of fixed-rate asset hedging on profit		
Hedged amounts due from credit institutions	36	-
Hedged loans and advances	3,497	-320
Hedged bonds available for sale	1,990	-
Hedging derivatives	-5,574	322
Total	-51	2
Effect of fixed-rate liability hedging on profit		
Hedged amounts due to credit institutions	-234	-146
Hedged deposits	-328	1
Hedged issued bonds	-5,800	166
Hedged subordinated debt	-3,048	478
Hedging derivatives	9,349	-587
Total	-61	-88

Derivatives	Positive fair value		Negative fair value	
2008	Notional amount	Carrying amount	Notional amount	Carrying amount
Currency contracts				
Forwards and swaps	2,111,242	177,734	2,250,232	193,675
Options	73,301	2,790	56,109	2,873
Interest rate contracts				
Forwards/swaps/FRAs	12,829,675	371,222	13,616,927	372,755
Options	6,161	360	3,494	370
Equity contracts				
Forwards	4,007	919	4,830	585
Options	55,164	3,469	57,938	3,510
Other contracts				
Commodity contracts	16,375	2,376	17,345	2,291
Credit derivatives bought	11,560	2,982	8,118	16
Credit derivatives sold	2,938	13	7,637	400
Total derivatives held for trading purposes		561,865		576,475
Hedging derivatives				
Currency contracts	316,536	2,176	231,869	836
Interest rate contracts	622,510	10,415	173,124	4,210
Total derivatives		574,456		581,521

Note	(DKr m)				
16	Derivatives	Positive fair value		Negative fair value	
(cont'd)	2007	Notional amount	Carrying amount	Notional amount	Carrying amount
	Currency contracts				
	Forwards and swaps	1,980,600	59,039	1,900,443	59,607
	Options	69,602	964	58,853	1,108
	Interest rate contracts				
	Forwards/swaps/FRAs	12,151,745	148,673	11,333,538	146,461
	Options	12,713	8,140	14,575	8,411
	Equity contracts				
	Forwards	7,575	1,059	7,734	1,041
	Options	71,051	2,132	71,044	253
	Other contracts				
	Commodity contracts	8,088	1,041	10,134	1,301
	Credit derivatives bought	10,031	1,206	1,070	7
	Credit derivatives sold	1,197	5	3,458	28
	Total derivatives held for trading purposes		222,259		218,217
	Hedging derivatives				
	Currency contracts	126,654	521	200,557	1,031
	Interest rate contracts	172,440	1,836	381,430	1,539
	Total derivatives		224,616		220,787

		2008	2007
17	Investment securities		
	Financial assets at fair value through profit or loss		
	Listed bonds	14,123	29,025
	Unlisted bonds	14	1,240
	Listed shares	1,247	3,546
	Unlisted shares	1,772	1,517
	Total financial assets at fair value	17,156	35,328
	Available-for-sale financial assets		
	Listed bonds	117,161	-
	Total available-for-sale financial assets	117,161	-
	Total at fair value	134,317	35,328
	Held-to-maturity financial assets		
	Listed bonds	6,476	2,323
	Total investment securities	140,793	37,651

Bonds held for trading reclassified as available-for-sale financial assets

Owing to the significant distortion of the pricing of a number of bonds in the autumn of 2008, the Group was unable to maintain its original intention to sell these bonds in the near term. At October 1, 2008, the Group therefore reclassified bonds at a nominal value of DKr120,607m and a fair value of DKr116,722m in the held-for-trading category as available-for-sale financial assets. The portfolio comprises primarily Danish mortgage bonds and foreign covered bonds of high credit quality. At the time of reclassification, the average effective rate of interest on the portfolio was 5.85%. The interest rate risk on fixed-rate assets is hedged and accounted for as a fair value hedge. At the end of 2008, the fair value of the reclassified bonds was DKr117,161m. From January 1 to September 30, 2008, the Group recognised unrealised value adjustments of the reclassified bonds in the amount of DKr-2,494m in the income statement (2007: DKr0m). Since October 1, 2008, the Group recognised unrealised pre-tax capital losses of DKr1,937m directly in shareholders' equity that would have been recognised in the income statement if the reclassification had not taken place. The income statement includes interest income of DKr1,748m and no realised capital gains recognised after October 1, 2008.

18	Assets held for sale		
	Real property	119	59
	Total	119	59

Profit on the sale of real property held for sale is recognised under the segment Other Activities.

Note	(DKr m)	2008	2007
19	**Loans and advances**		
	Reverse transactions	233,971	287,223
	Other loans and advances	1,132,810	1,077,737
	Impairment charges	14,668	4,547
	Total	1,352,113	1,360,413
	Impairment charges		
	At January 1	4,547	3,925
	New and increased impairment charges	12,365	3,622
	Reversals of impairment charges	1,226	2,906
	Write-offs debited to allowance account	946	847
	Foreign currency translation	-144	-9
	Other additions and disposals	72	762
	At December 31	14,668	4,547
20	**Loans and advances at fair value and bonds issued by Realkredit Danmark**		
	Loans and advances at fair value		
	Nominal value	680,312	648,234
	Fair value adjustment of underlying bonds	-12,674	-20,362
	Adjustment for credit risk	457	63
	Total	667,181	627,809
	Bonds issued by Realkredit Danmark		
	Nominal value	843,529	800,428
	Fair value adjustment of funding of current loans	-12,981	-20,292
	Fair value adjustment of block issues and pre-issued bonds	-	-1,281
	Holding of own mortgage bonds	351,014	260,162
	Total	479,534	518,693

The nominal value of bonds issued by Realkredit Danmark equals the amount repayable on maturity.

Of the total adjustment for credit risk on loans and advances at fair value, changes in 2008 were recognised as an expense of DKr394m (2007: income of DKr5m).

The yield spread between Danish mortgage bonds rated AAA and Danish government bonds has widened by 25-60 basis points since the beginning of 2008, causing a drop of about DKr11bn (2007: DKr 0bn) in the fair value of bonds issued by Realkredit Danmark and mortgage loans.

Note	(DKr m)						
21	Pooled schemes and unit-linked investment contracts						
		Pooled schemes		Unit-linked contracts		Total	
		2008	2007	2008	2007	2008	2007
	Assets						
	Bonds	20,582	20,322	-	-	20,582	20,322
	Shares	6,844	11,615	-	-	6,844	11,615
	Unit trust certificates	5,197	6,670	8,476	9,909	13,673	16,579
	Cash deposits	728	1,675	-	-	728	1,675
	Total	33,351	40,282	8,476	9,909	41,827	50,191
	including						
	own bonds	5,909	7,482	-	-	5,909	7,482
	own shares	141	624	-	-	141	624
	other intra-group balances	1,142	1,327	-	-	1,142	1,327
	Total assets	26,159	30,849	8,476	9,909	34,635	40,758
	Liabilities						
	Deposits	33,351	40,282	8,476	9,978	41,827	50,260

Note		2008	2007
22	Assets under insurance contracts		
	Due from credit institutions	1,157	3,665
	Investment securities	187,897	189,305
	Holdings in associated undertakings	1,059	1,022
	Investment property	17,431	17,159
	Tangible assets	163	57
	Reinsurers' share of provisions	1,917	1,714
	Other assets	6,734	5,196
	Total	216,358	218,118
	including		
	own bonds	32,433	25,379
	own shares	119	649
	other intra-group balances	2,547	1,867
	Total assets	181,259	190,223
	Investment securities under insurance contracts		
	Listed bonds	132,489	109,847
	Listed shares	10,162	34,583
	Unlisted shares	1,747	1,972
	Unit trust certificates	35,830	41,574
	Other securities	7,669	1,329
	Total	187,897	189,305

Note	(DKr m)	2008	2007
22	Holdings in associated undertakings under insurance contracts		
(cont'd)	Cost at January 1	618	605
	Additions	57	13
	Cost at December 31	675	618
	Revaluations at January 1	404	418
	Share of profit	-20	14
	Dividends	-	28
	Revaluations at December 31	384	404
	Carrying amount at December 31	1,059	1,022

	Ownership (%)	Total assets	Total liabilities	Income	Net profit
Ejendomsselskabet af Januar 2002 A/S, Copenhagen	50	873	312	29	-105
Dantop Ejendomme ApS, Copenhagen	50	299	5	9	-3
DNP Ejendomme Komplementarselskab ApS, Copenhagen	50	-	-	-	-
DNP Ejendomme P/S, Copenhagen	50	1,116	25	86	109
DAN-SEB 1 A/S, Copenhagen	50	71	44	2	-
Hovedbanegårdens Komplementarselskab ApS, Copenhagen	50	-	-	-	-
Majorgården A/S, Copenhagen	25	9	2	24	2
Privathospitalet Hamlet af 1994 A/S, Frederiksberg	35	321	249	124	17

The information disclosed is extracted from the companies' most recent annual reports.

Moreover, Danica has holdings in six investment companies in which Danica and the Group together hold more than 20% of the capital. Danica's holdings are recognised at fair value under Assets under insurance contracts. The Group's other holdings are carried under Trading portfolio assets. Because the investment companies invest solely in securities recognised at fair value, the carrying amount deviates only slightly from the fair value. The table below shows the Group's holdings in these companies at the end of 2008.

	Ownership (%)	Total assets	Total liabilities	Income	Net profit
P-M 2000 A/S, Copenhagen	27	232	1	-	-20
P-N 2001 A/S, Copenhagen	27	38	-	-	-
Dansk Kapitalanlæg Aktieselskab, Copenhagen	22	11	9	11	1
Danske Private Equity III (EUR-A) K/S, Copenhagen	27	492	-	-	-37
Danske Private Equity III (USD-A) K/S, Copenhagen	24	381	-	11	-26
Nordic Venture Partners K/S, Copenhagen	26	358	-	-	-

The information disclosed is extracted from the companies' most recent annual reports.

Note	(DKr m)	2008	2007
22	Investment property under insurance contracts		
(cont'd)	Fair value at January 1	17,159	15,588
	Additions	138	526
	Property improvement expenditure	996	288
	Disposals	1,046	6
	Fair value adjustment	184	763
	Fair value at December 31	17,431	17,159
	Required rate of return used for calculating fair value	4,5-7,8	3,5-7,8
	Average required rate of return	6.3	6.2

Rental income from investment property amounted to DKr1,146m in 2008 (2007: DKr1,107m). Expenses directly attributable to investment property generating rental income amounted to DKr228m (2007: DKr220m).

	2008		2007	
Tangible assets under insurance contracts	Domicile property	Machinery, furniture and fixtures	Domicile property	Machinery, furniture and fixtures
Cost at January 1	47	37	49	41
Additions	108	8	-	1
Disposals	-	17	2	5
Cost at December 31	155	28	47	37
Depreciation and impairment charges at January 1	-	27	-	28
Depreciation charges during the year	-	7	-	1
Impairment charges during the year	1	-	-	-
Reversals of depreciation and impairment charges	-	15	-	2
Depreciation and impairment charges at December 31	1	19	-	27
Carrying amount at December 31	154	9	47	10
Depreciation period	20-50 years	3-10 years	20-50 years	3-10 years

At the end of 2008, the fair value of domicile property totalled DKr162m (2007: DKr47m).

	2008	2007
Reinsurers' share of provisions for insurance contracts		
Balance at January 1	1,714	1,862
Premiums paid	70	99
Benefits paid	-123	-119
Interest added to policyholders' savings	117	67
Fair value adjustment	134	-125
Other changes	5	-70
Balance at December 31	1,917	1,714

Note	(DKr m)	2008	2007
23	**Holdings in associated undertakings**		
	Cost at January 1	1,090	926
	Additions	-	89
	Additions on acquisitions	-	100
	Disposals	249	25
	Cost at December 31	841	1,090
	Revaluations at January 1	38	45
	Share of profit	237	271
	Dividends	170	283
	Reversals of revaluations	-7	4
	Foreign currency translation	-	1
	Revaluations at December 31	98	38
	Carrying amount at December 31	939	1,128

Holdings in associated undertakings	Ownership (%)	Total assets	Total liabilities	Income	Net profit
Bankpension AB, Stockholm	20	20	3	7	-
BDB Bankernas Depå AB, Stockholm	20	753	744	3	-7
DKA II A/S, Copenhagen	29	927	552	14	19
DKA I P/S, Copenhagen	33	222	18	4	-40
DKA I Komplementarer A/S, Copenhagen	33	1	-	3	19
Ejendomsaktieselskabet af 22. juni 1966, Copenhagen	50	25	6	2	8
Luxembourg International Consulting S.A., Luxembourg	33	30	22	37	7
MVC Holding AB, Gothenburg	33	1	-	-	-
LR Realkredit A/S, Copenhagen	31	12,216	8,790	449	75
Danmarks Skibskredit A/S, Copenhagen	24	76,660	67,483	2,413	394
Multidata Holding A/S, Ballerup	44	1,097	768	697	31
PBS Holding A/S, Ballerup	26	3,038	2,432	2,282	258
E-nettet Holding A/S, Copenhagen	28	150	59	68	4
Interessentskabet af 23. dec. 1991, Copenhagen	30	777	36	64	46
Automatia Pankkiautomaatit Oy, Helsinki	33	2,710	20,029	477	32
MB Equity Fund Ky, Helsinki	21	-	-	7	7
Tapio Technologies, Helsinki	20	15	7	-	-
Arfin Oy, Helsinki	33	-	-	-	-

The information disclosed is extracted from the companies' most recent annual reports.
Note 22 shows associated undertakings recognised under Assets under insurance contracts.

Note	(DKr m)					
24	Intangible assets					
	2008	Goodwill	Software developed	Customer relations	Other	Total
	Cost at January 1	23,301	1,764	5,937	1,263	32,265
	Additions	-	594	-	35	629
	Additions on acquisitions	16	-	-	-	16
	Disposals	3,084	164	1,254	153	4,655
	Foreign currency translation	-660	-	-314	-1	-975
	Cost at December 31	19,573	2,194	4,369	1,144	27,280
	Amortisation and impairment charges at January 1	-	683	1,878	408	2,969
	Amortisation charges during the year	-	424	470	127	1,021
	Impairment charges during the year	3,084	-	-	-	3,084
	Reversals of amortisation and impairment charges	3,084	144	1,135	150	4,513
	Foreign currency translation	-	-	-375	-	-375
	Amortisation and impairment charges at December 31	-	963	838	385	2,186
	Carrying amount at December 31	19,573	1,231	3,531	759	25,094
	Amortisation period	Annual impairment test	3 years	3-10 years		
	2007					
	Cost at January 1	5,809	1,122	1,675	227	8,833
	Additions	76	494	-	72	642
	Additions on acquisitions	17,610	148	4,371	980	23,109
	Disposals	-	-	-	16	16
	Foreign currency translation	-194	-	-109	-	-303
	Cost at December 31	23,301	1,764	5,937	1,263	32,265
	Amortisation and impairment charges at January 1	-	254	1,021	174	1,449
	Amortisation charges during the year	-	428	922	247	1,597
	Impairment charges during the year	-	1	-	-	1
	Reversals of amortisation and impairment charges	-	-	-	16	16
	Foreign currency translation	-	-	-65	3	-62
	Amortisation and impairment charges at December 31	-	683	1,878	408	2,969
	Carrying amount at December 31	23,301	1,081	4,059	855	29,296
	Amortisation period	Annual impairment test	3 years	3-10 years		

Other intangible assets include contractual rights and rights to names. Contractual rights are amortised over 1-5 years, whereas rights to names are subject to annual impairment testing.

In 2008, the Group expensed DKr1,950m for development projects (2007: DKr1,685m).

Note	(DKr m)
24 (cont'd)	Impairment testing

The financial situation on the Group's markets deteriorated throughout 2008, taking a drastic turn for the worse in the fourth quarter. On the basis of the impairment test conducted in 2008, the Group recognised goodwill impairment charges for Banking Activities Ireland and Banking Activities Norway (Fokus Krogsveen).

In 2005, Danske Bank acquired National Irish Bank, which now forms part of Banking Activities Ireland. Until the autumn of 2008, National Irish Bank's financial performance had matched the Group's expectations upon the acquisition. In view of the sharp slowdown in the Irish economy, forecasts now call for significantly lower growth and a period of higher loan impairment charges. This also applies to National Irish Bank. The revised earnings estimate therefore led to a goodwill impairment charge against National Irish Bank of DKr2,940m.

Fokus Krogsveen AS is a merger of two estate-agency chains, Krogsveen and Nylander, acquired by Danske Bank in 2005 and 2006, respectively. Fokus Krogsveen AS is recognised primarily in Banking Activities Norway. During 2008, Fokus Krogsveen made changes to its organisation. The Group made a goodwill impairment charge of DKr144m against Fokus Krogsveen, reflecting the reorganisation and the very unfavourable trends in the Norwegian property market. DKr141m is recognised in Banking Activities Norway and the remainder in Other.

The impairment test of goodwill on other acquisitions did not identify any indications of impairment. Economic growth in the near future is expected to be negative, which, combined with low money market rates and impairment charges for loans and advances, will reduce earnings. Earnings are expected to improve gradually over the five-year budget period, and it is assumed that net interest income will increase sufficiently to cover rising credit costs. In case of a deeper or protracted recession, capitalised intangible assets may be impaired.

The required rate of return assumed in the terminal period remains unchanged compared with 2007. Growth estimates in the terminal period are determined on the basis of expected GDP growth. If the required rate of return is increased or the growth estimate decreased in the terminal period, capitalised intangible assets will be impaired. If the required rate of return is decreased or the growth estimated increased, the estimated present value will increase.

		2008			2007	
	Goodwill	Rights to names	Total	Goodwill	Rights to names	Total
Banking Activities Finland	11,244	465	11,709	11,288	465	11,753
Banking Activities Baltics	3,475	-	3,475	3,479	-	3,479
Banking Activities Northern Ireland	1,756	-	1,756	2,330	-	2,330
Banking Activities Ireland	2,940	-	2,940	2,942	-	2,942
Banking Activities Norway	141	-	141	184	-	184
Danske Markets	1,125	-	1,125	1,126	-	1,126
Danske Capital	1,816	-	1,816	1,812	-	1,812
Other	160	-	160	140	-	140
Total	22,657	465	23,122	23,301	465	23,766
Impairment charges, Banking Activities Ireland	2,940	-	2,940	-	-	-
Impairment charges, Fokus Krogsveen	144	-	144	-	-	-
Total after impairment charges	19,573	465	20,038	23,301	465	23,766

Impairment charges are recognised under amortisation, depreciation and impairment charges for intangible and tangible assets in the income statement.

Impairment tests compare the carrying amount and the estimated present value of expected future cash flows. The special debt structure of financial institutions requires the use of a simplified equity model to calculate the present value of future cash flows. The model is based on approved strategies and earnings estimates for cash-generating units for the next five years (the budget period). For the terminal period (> 5 years), the model assumes cash flows to grow by 2-4%. The levels of these estimates do not exceed general macroeconomic growth forecasts in the individual markets.

The estimated cash flows are discounted at the Group's risk-adjusted required rate of return before tax of 12%.

Note	(DKr m)				
24 (cont'd)	Impairment test assumptions				
		2008		2007	
	(%)	Annual growth >5 yrs	Required rate of return before tax	Annual growth >5 yrs	Required rate of return before tax
	Banking Activities Finland	2,5	12,0	2,5	12,0
	Banking Activities Baltics	4,0	12,0	4,0	12,0
	Banking Activities Northern Ireland	2,2	12,0	2,5	12,0
	Banking Activities Ireland	-	-	3,5	12,0
	Banking Activities Norway	-	-	-	12,0
	Danske Markets	1,9	12,0	-	12,0
	Danske Capital	2,5	12,0	-	12,0

Banking Activities Finland

In 2007, Danske Bank acquired the shares of the Sampo Bank group. The activities of the Sampo Bank group were incorporated in the business structure of the Danske Bank Group at the beginning of 2007 and are reported under Banking Activities Finland. With the acquisition, the Group strengthened its competitive position in the entire northern European market and reinforced its business platform. In 2008, Banking Activities Finland migrated to the Group's platform. The integration is expected to reduce operating expenses in the budget period, and interest income is expected to increase due to improved lending margins.

Banking Activities Baltics

In 2007, Danske Bank acquired the shares of the Sampo Bank group. The Baltic activities of the Sampo Bank group were incorporated in the business structure of the Danske Bank Group at the beginning of 2007 and are reported under Banking Activities Baltics. With the acquisition of Sampo Bank, the Group established a presence in the Baltic markets, which is an important part of the Group's strategy to build a geographically diversified organisation. Through a broader product range, the Group has increased its sales in the Baltic markets. Income is expected to increase, primarily driven by wider interest margins, and an efficient IT platform will reduce costs.

Banking Activities Northern Ireland (Northern Bank)

In 2005, Danske Bank acquired Northern Bank, which now forms part of Banking Activities Northern Ireland. The acquisition is consistent with the Group's strategy of strengthening its competitive position in the northern European market. The launch of new product packages and other services supports Northern Bank's position as a leading retail bank in the highly competitive market in Northern Ireland. The Group expects Northern Bank to maintain its position in the budget period.

Danske Markets

At the beginning of 2007, Danske Bank acquired the shares of the Sampo Bank group. The trading activities of Sampo Bank were incorporated in the business structure of Danske Markets. With the acquisition, the Group strengthened its competitive position within corporate finance and institutional banking and trading activities in general. The integration process and the budgets and business plans presented confirm the financial assumptions on which the Group based its acquisition. Consequently, impairment tests did not result in goodwill impairment charges.

Danske Capital

At the beginning of 2007, Danske Bank acquired the shares of the Sampo Bank group. The wealth management activities of Sampo Bank were incorporated in the business structure of Danske Capital. In addition to the acquisition of Sampo Bank, goodwill recognised by Danske Capital is attributable to a number of minor acquisitions. With the acquisition of Sampo Bank, the Group strengthened its competitive position within asset management in Finland. The migration to the Group's platform will support this position and enable the realisation of synergies.

Note	(DKr m)	2008	2007
25	Investment property		
	Fair value at January 1	4,904	3,914
	Additions	632	980
	Property improvement expenditure	4	1
	Disposals	1,136	170
	Fair value adjustment	66	179
	Fair value at December 31	4,470	4,904
	Required rate of return used for calculating fair value	4.0-7.5	4.0-7.5
	Average required rate of return	6.7	6.5

Rental income from investment property totalled DKr214m in 2008 (2007: DKr170m). Expenses directly attributable to investment property generating rental income amounted to DKr4m (2007: DKr5m), whereas expenses directly attributable to investment property not generating rental income amounted to DKr2m (2007: DKr2m).

The fair value of investment property is calculated on the basis of a standard operating budget and a rate of return fixed for the individual property less expenses for temporary factors. The operating budget factors in a conservative estimate of the market rent that could be earned on currently unoccupied premises and adjustments for existing leases that deviate materially from standard terms and conditions. Repair and maintenance expenses are calculated on the basis of the individual property's condition, year of construction, materials, etc. The rate of return is calculated on the basis of the property's location, possible uses and condition as well as the term and credit quality, etc., of leases.

Note	(DKr m)				
26	Tangible assets				
	2008	Domicile property	Machinery, furniture and fixtures	Lease assets	Total
	Cost at January 1	5,356	2,661	5,653	13,670
	Additions	102	381	2,230	2,713
	Disposals	447	627	1,206	2,280
	Transferred to lease assets held for sale	-	-	286	286
	Transferred to real property held for sale	131	-	-	131
	Additions on acquisitions	-	7	-	7
	Foreign currency translation	-183	29	26	-128
	Cost at December 31	4,697	2,451	6,417	13,565
	Depreciation and impairment charges at January 1	1,095	1,916	1,347	4,358
	Depreciation charges during the year	65	342	833	1,240
	Impairment charges during the year	6	-	173	179
	Transferred to lease assets held for sale	-	-	144	144
	Transferred to real property held for sale	12	-	-	12
	Reversals of depreciation and impairment charges	147	546	527	1,220
	Foreign currency translation	-83	68	118	103
	Depreciation and impairment charges at December 31	924	1,780	1,800	4,504
	Carrying amount at December 31	3,773	671	4,617	9,061
	Depreciation period	20-50 years	3-10 years	3 years	

At the end of 2008, the fair value of domicile property was DKr5,392m.

2007	Domicile property	Machinery, furniture and fixtures	Lease assets	Total
Cost at January 1	5,259	2,308	4,313	11,880
Additions	60	359	2,230	2,649
Disposals	19	211	1,056	1,286
Transferred to lease assets held for sale	-	-	216	216
Transferred to real property held for sale	63	-	-	63
Additions on acquisitions	139	223	385	747
Foreign currency translation	-20	-18	-3	-41
Cost at December 31	5,356	2,661	5,653	13,670
Depreciation and impairment charges at January 1	1,091	1,784	1,151	4,026
Depreciation charges during the year	71	331	1,206	1,608
Impairment charges during the year	19	-	-	19
Transferred to lease assets held for sale	-	-	106	106
Transferred to real property held for sale	4	-	-	4
Reversals of depreciation and impairment charges	71	182	905	1,158
Foreign currency translation	-11	-17	1	-27
Depreciation and impairment charges at December 31	1,095	1,916	1,347	4,358
Carrying amount at December 31	4,261	745	4,306	9,312
Depreciation period	20-50 years	3-10 years	3 years	

At the end of 2007, the fair value of domicile property was DKr6,098m.

Note	(DKr m)	2008	2007
27	Other assets		
	Interest and commission due	14,504	13,007
	Other amounts due	17,002	21,202
	Pension assets	279	370
	Lease assets held for sale	155	110
	Real property taken over under non-performing loans	29	6
	Total	31,969	34,695
28	Due to credit institutions and central banks		
	Repo transactions	128,392	154,605
	Other amounts due	434,334	522,750
	Total	562,726	677,355
29	Deposits		
	Repo deposits	74,393	125,721
	Other deposits	800,297	798,274
	Total	874,690	923,995
30	Liabilities under insurance contracts		
	Life insurance provisions	177,655	170,153
	Provisions for unit-linked insurance contracts	21,881	21,054
	Collective bonus potential	1,553	13,462
	Other technical provisions	8,574	7,868
	Total provisions for insurance contracts	209,663	212,537
	Other liabilities	2,979	1,620
	Intra-group balances	-1,654	-738
	Total	210,988	213,419
	Provisions for insurance contracts		
	Balance at January 1	212,537	214,734
	Premiums paid	17,904	15,876
	Benefits paid	-14,707	-15,826
	Interest added to policyholders' savings	4,748	7,858
	Fair value adjustment	2,196	-6,208
	Foreign currency translation	-338	-52
	Change in collective bonus potential	-11,911	-811
	Other changes	-766	-3,034
	Balance at December 31	209,663	212,537
31	Deferred tax		
	Deferred tax assets	1,248	635
	Deferred tax liabilities	3,082	3,397
	Deferred tax, net	1,834	2,762

In addition to the amount of deferred tax provided for on the balance sheet, the Group is liable for deferred tax of DKr201m (2007: DKr280m) for shares in group undertakings held for less than three years.

Note	(DKr m)						
31 (cont'd)	**Change in deferred tax**						
	2008	At Jan. 1	Foreign currency translation	Additions on acquisitions	Included in profit for the year	Included in shareholders' equity	At Dec. 31
	Intangible assets	1,529	-4	-	-179	-	1,346
	Tangible assets	1,121	31	-	290	-	1,442
	Securities	613	-	-	-1,060	-103	-550
	Provisions for obligations	-434	73	-	47	-	-314
	Tax loss carryforwards	-5	2	-	75	-	72
	Other	-62	-10	-	-90	-	-162
	Total	2,762	92	-	-917	-103	1,834
	Adjustment of prior-year tax charges included in preceding item				-61		
	2007						
	Intangible assets	404	20	1,387	-282	-	1,529
	Tangible assets	1,916	-5	52	-842	-	1,121
	Securities	-245	-	-128	1,027	-41	613
	Provisions for obligations	-649	1	91	123	-	-434
	Tax loss carryforwards	-	-	-2	-3	-	-5
	Other	23	-	2	-87	-	-62
	Total	1,449	16	1,402	-64	-41	2,762
	Adjustment of prior-year tax charges included in preceding item				-209		

Note		2008	2007
32	**Other liabilities**		
	Sundry creditors	41,015	37,252
	Accrued interest and commission	18,434	21,803
	Pension obligations	1,178	1,675
	Other staff commitments	2,628	2,609
	Irrevocable loan commitments and guarantees, etc.	621	290
	Reserves subject to a reimbursement obligation	244	268
	Other obligations	74	54
	Total	64,194	63,951

	Irrevocable loan commitments	Reserves subject to a reimbursement obligation	Other obligations
January 1, 2008	290	268	54
New and increased obligations	558	-	74
Reversals of obligations	219	-	-
Spent	5	40	54
Effect of adjustment of discount rate or term	5	16	-
Foreign currency translation	-8	-	-
December 31, 2008	621	244	74

The Group has issued a number of irrevocable loan commitments and guarantees. Such facilities are valued at the higher of the received premium amortised over the life of the individual obligation and the provision made, if any. Provisions are made if it is likely that drawings will be made under a loan commitment or claims will be made under a guarantee and the amount payable can be reliably measured. Obligations are recognised at the fair value of expected payments.

Reserves in early series subject to a reimbursement obligation relate to mortgage loan agreements under which the individual borrower's share of the series reserve fund is disbursed to the borrower on repayment of the loan in accordance with the terms and conditions applying to the series. Until 2031, the Group's obligation will gradually be reduced in step with individual borrower repayments. Factors that affect repayment patterns include changes in interest rates and cash flows.

Note	(DKr m)
33	Subordinated debt

Subordinated debt consists of liabilities in the form of subordinated loan capital and hybrid core capital, which, in the event of Danske Bank's voluntary or compulsory winding-up, will not be repaid until the claims of ordinary creditors have been met. Hybrid core capital ranks below subordinated loan capital. Early redemption of subordinated debt must be approved by the Danish FSA.

Subordinated debt is included in the capital base in accordance with sections 124, 132 and 136 of the Danish Financial Business Act.

Currency	Borrower	Note	Principal (millions)	Interest rate	Issued	Maturity	Redemption price	2008 (DKr m)	2007 (DKr m)
Redeemed loans									5,593
EUR	Danske Bank A/S	a	400	5.875	2002	26.03.2015	100	2,981	2,983
EUR	Danske Bank A/S	b	500	5.125	2002	12.11.2012	100	3,725	3,728
EUR	Danske Bank A/S	c	500	4.250	2003	20.06.2016	100	3,725	3,728
NOK	Danske Bank A/S	d	1,770	var.	2003	25.05.2014	100	1,340	1,655
GBP	Danske Bank A/S	e	350	5.375	2003	29.09.2021	100	2,677	3,552
NOK	Danske Bank A/S	f	500	var.	2003	15.02.2014	100	379	468
SEK	Danske Bank A/S	g	750	var.	2004	22.12.2013	100	510	592
EUR	Danske Bank A/S	h	700	4.100	2005	16.03.2018	100	5,216	5,220
EUR	Danske Bank A/S	i	500	var.	2005	09.09.2013	100	3,725	3,728
NOK	Danske Bank A/S	j	535	var.	2005	22.03.2014	100	405	500
EUR	Danske Bank A/S	k	500	6.000	2007	20.03.2016	100	3,725	3,728
EUR	Danske Bank A/S	l	500	5.375	2008	18.08.2014	100	3,725	-
DKK	Danske Bank A/S	m	500	5.500	2008	22.08.2014	100	500	-
EUR	Danica Pension	n	400	4.350	2006	Perpetual	100	2,981	2,983
EUR	Sampo Bank plc	o	150	var.	2004	17.03.2014	100	1,118	1,118
EUR	Sampo Bank plc	p	200	var.	2004	31.05.2016	100	1,490	1,491
Subordinated debt, excluding hybrid core capital								38,222	41,067
Hybrid core capital									
USD	Danske Bank A/S	q	750	5.914	2004	Perpetual	100	3,964	3,806
GBP	Danske Bank A/S	r	150	5.563	2005	Perpetual	100	1,147	1,522
GBP	Danske Bank A/S	s	500	5.684	2006	Perpetual	100	3,824	5,074
EUR	Danske Bank A/S	t	600	4.878	2007	Perpetual	100	4,470	4,474
SEK	Danske Bank A/S	u	1,350	var.	2007	Perpetual	100	919	1,065
SEK	Danske Bank A/S	v	650	5.119	2007	Perpetual	100	442	513
EUR	Sampo Bank plc	w	125	5.407	2004	Perpetual	100	931	932
EUR	Sampo Bank plc	x	125	var.	2004	Perpetual	100	931	932
EUR	Sampo Bank plc	y	100	var.	2004	Perpetual	100	745	746
Total hybrid core capital								17,373	19,064
Nominal subordinated debt								55,595	60,131
Hedging of interest rate risk at fair value								2,454	-713
Holding of own bonds								-189	-393
Total subordinated debt								57,860	59,025
Portion included in the capital base								49,783	51,168

Note	(DKr m)	
33 (cont'd)	a	Optional redemption date as from March 2012. If the loan is not redeemed, the annual interest rate will be 2.07 percentage points above 3-month EURIBOR.
	b	Optional redemption date as from November 2009. If the loan is not redeemed, the annual interest rate will be 2.30 percentage points above 3-month EURIBOR.
	c	Optional redemption date as from June 2013. If the loan is not redeemed, the annual interest rate will be 2.05 percentage points above 3-month EURIBOR.
	d	Interest is paid at an annual rate 0.76 of a percentage point above 3-month NIBOR. Optional redemption date as from May 2011. If the loan is not redeemed, the annual interest rate will be 2.26 percentage points above 3-month NIBOR.
	e	Optional redemption date as from September 2018. If the loan is not redeemed, the annual interest rate will be 1.94 percentage points above 3-month GBP LIBOR.
	f	Interest is paid at an annual rate 0.47 of a percentage point above 3-month NIBOR. Optional redemption date as from February 2011. If the loan is not redeemed, the annual interest rate will be 1.97 percentage points above 3-month NIBOR.
	g	Interest is paid at an annual rate 0.34 of a percentage point above 3-month STIBOR. Optional redemption date as from December 2010. If the loan is not redeemed, the annual interest rate will be 1.835 percentage points above 3-month STIBOR.
	h	Optional redemption date as from March 2015. If the loan is not redeemed, the annual interest rate will be 1.81 percentage points above 3-month EURIBOR.
	i	Interest is paid at an annual rate 0.20 of a percentage point above 3-month EURIBOR. Optional redemption date as from September 2010. If the loan is not redeemed, the annual interest rate will be 1.70 percentage points above 3-month EURIBOR.
	j	Interest is paid at an annual rate 0.20 of a percentage point above 3-month NIBOR. Optional redemption date as from March 2011. If the loan is not redeemed, the annual interest rate will be 1.70 percentage points above 3-month NIBOR.
	k	Optional redemption date as from March 2013. If the loan is not redeemed, the annual interest rate will be 2.95 percentage points above 3-month EURIBOR.
	l	Optional redemption date as from August 2011. If the loan is not redeemed, the annual interest rate will be 3.10 percentage points above 3-month EURIBOR.
	m	Optional redemption date as from August 2011. If the loan is not redeemed, the annual interest rate will be 3.05 percentage points above 3-month CIBOR.
	n	Optional redemption date as from October 2011. If the loan is not redeemed, the annual interest rate will be 2.08 percentage points above 3-month EURIBOR.
	o	Interest is paid at an annual rate 0.50 of a percentage point above 3-month EURIBOR. Optional redemption date as from March 2009. If the loan is not redeemed, the annual interest rate will be 2.00 percentage points above 3-month EURIBOR.
	p	Interest is paid at an annual rate 0.25 of a percentage point above 3-month EURIBOR. Optional redemption date as from May 2011. If the loan is not redeemed, the annual interest rate will be 1.75 percentage points above 3-month EURIBOR.
	q	Optional redemption date as from June 2014. If the loan is not redeemed, the annual interest rate will be 1.66 percentage points above 3-month USD LIBOR.
	r	Optional redemption date as from March 2017. If the loan is not redeemed, the annual interest rate will be 1.44 percentage points above 3-month GBP LIBOR.
	s	Optional redemption date as from February 2017. If the loan is not redeemed, the annual interest rate will be 1.70 percentage points above 3-month GBP LIBOR.
	t	Optional redemption date as from May 2017. If the loan is not redeemed, the annual interest rate will be 1.62 percentage points above 3-month EURIBOR.
	u	Interest is paid at an annual rate 0.65 of a percentage point above 3-month STIBOR. Optional redemption date as from February 2017. If the loan is not redeemed, the annual interest rate will be 1.65 percentage points above 3-month STIBOR.
	v	Optional redemption date as from August 2017. If the loan is not redeemed, the annual interest rate will be 1.65 percentage points above 3-month STIBOR.
	w	Optional redemption date as from March 2014. If the loan is not redeemed, the annual interest rate will be 2.15 percentage points above 3-month EURIBOR.
	x	Interest is paid at an annual rate 1.6 percentage points above 3-month EURIBOR. Optional redemption date as from December 2010.
	y	Interest is paid at an annual rate 0.3 of a percentage point above TEC 10. Optional redemption date as from March 2014.

Note	(DKr m)				
34	Balance sheet items broken down by expected due date	2008		2007	
		< 1 year	> 1 year	< 1 year	> 1 year
	ASSETS				
	Cash in hand and demand deposits with central banks	16,379	-	13,861	-
	Due from credit institutions and central banks	211,219	4,604	341,706	4,253
	Trading portfolio assets	437,169	423,619	486,912	165,225
	Investment securities	1,599	139,194	9,585	28,066
	Assets held for sale	119	-	59	-
	Loans and advances	846,040	506,073	826,769	533,644
	Loans and advances at fair value	16,483	650,698	24,259	603,550
	Assets under pooled schemes and unit-linked investment contracts	-	34,635	-	40,758
	Assets under insurance contracts	10,061	171,198	9,519	180,704
	Holdings in associated undertakings	-	939	-	1,128
	Intangible assets	-	25,094	-	29,296
	Investment property	-	4,470	-	4,904
	Tangible assets	-	9,061	-	9,312
	Current tax assets	2,103	-	690	-
	Deferred tax assets	-	1,248	-	635
	Other assets	31,690	279	34,325	370
	Total	1,572,862	1,971,112	1,747,685	1,601,845
	LIABILITIES				
	Due to credit institutions and central banks	560,194	2,532	667,820	9,535
	Trading portfolio liabilities	208,840	414,450	92,263	239,284
	Liabilities held for sale	-	-	-	-
	Deposits	311,951	562,739	433,354	490,641
	Bonds issued by Realkredit Danmark	129,571	349,963	179,334	339,359
	Deposits under pooled schemes and unit-linked investment contracts	2,589	39,238	2,702	47,558
	Liabilities under insurance contracts	14,478	196,510	15,751	197,668
	Other issued bonds	297,516	229,090	195,041	207,350
	Current tax liabilities	930	-	1,142	-
	Deferred tax liabilities	-	3,082	-	3,397
	Other liabilities	62,772	1,422	62,008	1,943
	Subordinated debt	3,317	54,543	1,947	57,078
	Total	1,592,158	1,853,569	1,651,362	1,593,813

Deposits include fixed-term deposits and demand deposits. Fixed-term deposits are recognised at the maturity date. Demand deposits have short contractual maturities but are considered a relatively stable financing source with expected maturities exceeding one year.

Note	(DKr m)					
35	Contractual due dates of financial liabilities					
	2008	0-1 month	1-3 months	3-12 months	1-5 years	> 5 years
	Due to credit institutions and central banks	472,845	76,720	30,508	1,422	2,035
	Deposits	705,728	77,298	31,120	24,225	57,780
	Repurchase obligation under reverse transactions	-	-	-	-	-
	Derivatives settled on a gross basis (cash outflows)	1,449,311	1,290,533	2,827,467	4,693,613	3,449,309
	Derivatives settled on a gross basis (cash inflows)	1,584,218	1,469,108	2,781,837	4,650,373	3,441,393
	Derivatives settled on a gross basis (net cash flows)	134,907	178,575	-45,630	-43,240	-7,916
	Derivatives settled on a net basis	32,275	2,381	4,764	-7,855	-88
	Bonds issued by Realkredit Danmark	47,630	-	99,430	257,923	284,322
	Other issued bonds	43,595	147,600	81,306	231,169	38,255
	Subordinated debt	-	1,172	4,035	31,561	37,462
	Other financial liabilities	107	213	960	5,119	2,077
	Irrevocable loan commitments and guarantees	12,956	32,839	87,458	113,322	29,252
	Total	1,450,043	516,798	293,951	613,646	443,179
	2007					
	Due to credit institutions and central banks	618,736	29,505	19,579	5,817	3,718
	Deposits	799,022	34,730	30,011	8,438	51,794
	Trading portfolio liabilities	22,604	29,282	40,376	104,740	134,545
	Bonds issued by Realkredit Danmark	56,286	-	123,047	183,361	155,999
	Other issued bonds	64,924	66,597	63,522	158,924	48,425
	Subordinated debt	-	5,124	366	19,807	33,728
	Total	1,561,572	165,238	276,901	481,087	428,209

The maturity analysis is based on the earliest date on which the Group can be required to pay.

The principles for the preparation of the note have been changed, but comparative figures for 2007 have not been restated. For 2008, disclosures comprise agreed payments, including principal and interest, whereas disclosures for 2007 comprise only a break-down by contractual due date of carrying amounts. For liabilities with variable cash flows, for example variable-rate financial liabilities, disclosure is based on the contractual conditions at the balance sheet date. Derivatives disclosures include the contractual cash flows for all derivatives, irrespective of whether the fair value at the balance sheet date is negative or positive.

Amounts for other issued bonds and subordinated debt are included at the date when the Danske Bank Group has a choice of redeeming the debt or paying increased interest expenses.

Amounts under irrevocable loan commitments and guarantees are due if a number of predetermined conditions are met and included at the contractual due date of agreements.

Note	(DKr m)	2008	2007
36	Pension plans		
	Contributions to external defined contribution plans	683	591
	Contributions to internal defined contribution plans	593	526
	Total contributions to defined contribution plans	1,276	1,117
	Contributions to defined benefit plans, standard cost	201	372
	Adjustment of plans and business acquisitions	-26	-98
	Foreign currency translation	-131	-102
	Total	1,320	1,289

A significant number of the Group's pension plans are defined contribution plans under which the Group makes contributions to insurance companies, including Danica Pension. Such payments are expensed when they are made. Defined benefit plans are typically funded by contributions made by employers and employees to separate pension funds investing the contributions on behalf of the members to fund future pension obligations. The Group also has unfunded pension plans, which are recognised directly on the consolidated balance sheet.

Defined benefit plans in Northern Ireland and Ireland account for most of the Group's obligations under such plans. The defined benefit scheme in Northern Ireland does not accept new members, while the defined benefit scheme in Ireland does. The defined benefit plans of both business units are funded through pension funds.

In Denmark, most of the employees have defined contribution plans. Defined benefit plans for employees working in Denmark are funded by contributions to pension funds, the majority of which are regulated by Danish company pension funds law. Most of the schemes do not accept new members, and most of them are in payment.

In Sweden, the defined benefit scheme accepts new members. The plans are funded through a pension fund, with an upper limit on the salary level on the basis of which pension obligations can be calculated.

The Group's defined benefit plans are computed on the basis of external actuarial calculations, and actuarial gains and losses are recognised using the corridor method. The actuarial calculations show an unrecognised net pension asset of DKr483m at December 31, 2008 (2007: an unrecognised net pension asset of DKr376m). The risk management notes (pension risk) contain a pension risk sensitivity analysis.

The net pension assets and obligations of the individual pension funds are recognised under Other assets and Other liabilities, respectively.

	2008	2007
Defined benefit plans		
Present value of unfunded pension obligations	296	145
Present value of fully or partly funded pension obligations	9,421	11,953
Fair value of plan assets	9,301	11,169
Net pension obligation at December 31	416	929
Actuarial gains/losses not recognised in the net pension obligation	483	376
Net pension obligation in accordance with IFRSs at December 31	899	1,305
Net pension obligation recognised on the balance sheet		
Pension assets recognised under Other assets	279	370
Pension provisions recognised under Other liabilities	1,178	1,675
Total	899	1,305

Note	(DKr m)						
36 (cont'd)	Changes in net pension obligation						
			2008			2007	
		Assets	Liabilities	Net	Assets	Liabilities	Net
	At January 1	11,169	12,098	929	11,422	13,005	1,583
	Expenses incurred during the year	-	198	198	-	294	294
	Calculated interest expenses	-	544	544	-	584	584
	Estimated return on plan assets	608	-	608	718	-	718
	Pension expenses incurred during previous years	-	67	67	-	212	212
	Standard cost	608	809	201	718	1,090	372
	Actuarial gains/losses	-2,606	-2,713	107	-1,051	-1,393	342
	Employer contributions to plans	450	-	450	484	-	484
	Benefits paid out by pension funds	-382	-382	-	-459	-459	-
	Adjustment of plans and business acquisitions	-	-26	-26	4	-94	-98
	Foreign currency translation	62	-69	-131	51	-51	-102
	At December 31	9,301	9,717	416	11,169	12,098	929
	Actuarial gains/losses not recognised in net pension obligation	-2,324	-2,807	483	282	-94	376
	Net pension obligation at December 31	11,625	12,524	899	10,887	12,192	1,305

The Group expects its pension contributions to total DKr390m in 2009.

	2008	2007
Expenses for defined benefit plans		
Expenses incurred during the year	198	294
Calculated interest expenses	544	584
Estimated return on plan assets	608	718
Pension expenses incurred during previous years	67	212
Standard cost	201	372
Actuarial gains/losses	107	342
Adjustment of plans and business acquisitions	-26	-98
Foreign currency translation	-131	-102
Total	-63	-170

The Group's obligations under defined benefit plans are recognised on the basis of actuarial calculations of the present value of the estimated benefits. On December 31, 2008, the present value of the individual plans was calculated on the basis of the following assumptions:

Average actuarial assumptions at December 31 (%)		
Discount rate	3.4-6.2	4.8-5.8
Return on plan assets	5.0-5.9	5.0-7.1
Inflation rate	1.8-3.0	2.0-3.4
Salary adjustment rate	2.8-4.0	2.8-4.9
Pension adjustment rate	2.0-3.0	2.3-5.0

The mortality assumptions used for recognising pension obligations at the end of 2008 are based on the Group's own DB06 mortality table for pension obligations in Denmark and the DUS06 standard table for pension obligations in Sweden. The Northern Ireland and Ireland mortality rates are based on the 00 series of mortality tables for annuitants and pensioners produced by the British Institute and Faculty of Actuaries. For the pension obligations of Danske Bank London Branch, the PA92 standard tables are used. The mortality tables are adjusted to reflect general trends in the mortality rates of populations and general data on portfolios of insured persons. Life expectancies of persons insured at December 31, 2008, were assumed to be 85.5 years for men and 88.3 years for women (60-year-olds), and 85.9 years for men and 88.4 years for women (65-year-olds). The corresponding figures for 2007 were 85.5 years for men and 88.3 years for women (60-year-olds), and 85.9 years for men and 88.5 years for women (65-year-olds).

Note (DKr m)

36 (cont'd) Pension assets

(%)	2008 Percentage at Dec. 31	2008 Estimated return at Jan. 1	2008 Actual return at Dec. 31	2007 Percentage at Dec. 31	2007 Estimated return at Jan. 1	2007 Actual return at Dec. 31
Shares	39	8	-28	57	8	6
Government and mortgage bonds	29	5	8	24	5	1
Index-linked bonds	5	5	1	8	4	7
Corporate bonds	9	6	-6	4	5	3
Real property	2	6	-26	3	6	6
Cash and cash equivalents	16	6	1	4	5	2
Total	100	7	-15	100	7	5

	2008	2007	2006	2005	2004
Historical trend in defined benefit plans					
Present value of pension obligations	9,717	12,098	13,005	13,857	3,567
Fair value of plan assets	9,301	11,169	11,422	11,400	3,077
Actuarial gains/losses not recognised in the net pension obligation	483	376	34	-534	-112
Net pension obligation at December 31	899	1,305	1,617	1,923	378

Transactions with related pension funds comprised loans and advances worth DKr9m (2007: DKr8m), deposits worth DKr135m (2007: DKr139m), issued bonds worth DKr295m (2007: DKr255m), derivatives with a positive fair value of DKr0m (2007: DKr131m), derivatives with a negative fair value of DKr1,311m (2007: DKr322m), interest expenses of DKr19m (2007: DKr15m), fee income of DKr1m (2007: DKr0m) and pension contributions of DKr450m (2007: DKr484m).

37 Capital requirements and risk-weighted assets for credit risk

	Capital requirements 2008	Capital requirements Jan. 1, 2008	Risk-weighted assets 2008	Risk-weighted assets Jan. 1, 2008
Credit risk				
Institutions	3,186	4,143	39,823	51,788
Corporate customers	28,003	30,978	350,037	387,223
Retail customers	9,140	8,031	114,248	100,383
Securitisation	2,590	368	32,381	4,596
Non-credit-obligation assets	1,234	1,520	15,420	18,994
Credit risk (IRB approach)	44,153	45,040	551,909	562,984
Governments and other public authorities	17	153	212	1,915
Institutions	231	489	2,884	6,113
Corporate customers	10,986	10,507	137,326	131,341
Retail customers	2,507	2,358	31,343	29,473
Exposures secured on real property	3,105	3,263	38,818	40,792
Other items	685	701	8,562	8,766
Credit risk (standardised approach)	17,531	17,471	219,145	218,400
Counterparty risk	3,450	2,142	43,124	26,769
Total credit risk	65,134	64,653	814,178	808,153
Market risk	5,408	5,812	67,602	72,648
Operational risk	6,264	5,894	78,299	73,682
Total	76,806	76,359	960,079	954,483

38 Contingent assets

In the autumn of 2008, the Danish National Tax Tribunal substantially found for the Group in an appeal case involving a claim for re-payment of VAT and financial services employer tax in the total amount of DKr0.7bn, including interest. The claim covers the period from 1995 to 2003. As the decision regarding part of the amount was final and conclusive, the Group recognised an amount of DKr0.4bn as income in 2008, whereas the claim for the remaining DKr0.3bn was brought before the courts.

Note	(DKr m)	2008	2007
39	Contingent liabilities		
	The Group uses a variety of loan-related financial instruments to meet the financial requirements of its customers. These include loan offers and other credit facilities, guarantees and instruments that are not recognised on the balance sheet.		
	Guarantees		
	Financial guarantees	10,311	8,169
	Mortgage finance guarantees	3,890	3,549
	Loss guarantee for the Private Contingency Association	6,339	-
	Other guarantees	87,108	97,524
	Total	107,648	109,242
	Other contingent liabilities		
	Irrevocable loan commitments shorter than 1 year	51,874	97,598
	Irrevocable loan commitments longer than 1 year	115,263	131,940
	Other obligations	1,042	3,542
	Total	168,179	233,080

Owing to its business volume, the Danske Bank Group is continually a party to various lawsuits. In view of its size, the Group does not expect the outcomes of the cases pending 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.

Together with the majority of Danish banks, Danske Bank is participating through the Private Contingency Association in the Danish state guarantee under the Act on Financial Stability adopted by the Danish parliament on October 10, 2008. The scheme runs from October 5, 2008, to September 30, 2010, and includes an unconditional state guarantee for the obligations of Danish banks, except for subordinated debt and covered bonds.

Each bank's share of the state guarantee commission and the commitment to cover losses is calculated on the basis of the part of the bank's capital base that can be allocated to activities covered by the guarantee. Danske Bank's share is expected to be around one third of the total amount, or an annual guarantee commission of around DKr2.5bn over the next two years and a commitment to cover losses of around DKr6bn. Half of the latter amount, DKr3bn, is payable only if the Danish financial sector's need for capital exceeds DKr25bn.

40 Assets deposited as collateral

At the end of 2008, the Group had deposited securities worth DKr278,324m as collateral with Danish and international clearing centres and other institutions (2007: DKr331,673m).

In connection with repo transactions, which involve selling securities to be repurchased at a later date, the securities remain on the balance sheet, and the amounts received are recognised as deposits. Repo transaction securities are treated as assets provided as collateral for liabilities. At the end of 2008, the carrying amount of such securities totalled DKr229,099m (2007: DKr277,379m). Counterparties are entitled to sell the securities or deposit them as collateral for other loans.

In connection with reverse transactions, which involve buying securities to be resold at a later date, the Group is entitled to sell the securities or deposit them as collateral for other loans. At the end of 2008, the fair value of reverse transaction securities was DKr369,999m (2007: DKr504,940m), of which securities sold totalled DKr41,769m (2007: DKr110,760m).

At the end of 2008, the Group had received cash and securities worth DKr26,186m as collateral for derivatives transactions (2007: DKr21,313m) and delivered cash and securities worth DKr66,440m (2007: DKr13,018m).

At the end of 2008, the Group had registered assets under insurance contracts worth DKr205,679m as collateral for the savings of policyholders (2007: DKr212,017m).

The Group had registered loans and advances at fair value worth DKr669,891m and other assets worth DKr0m as collateral for issued mortgage bonds, including mortgage-covered bonds, at the end of 2008 (2007: DKr627,809m and DKr3,035m, respectively).

At the end of 2008, the Group had registered loans and advances worth DKr78,842m and other assets worth DKr 3,257m as collateral for covered bonds issued under Danish and Finnish law (2007: DKr23,886m and DKr0m, respectively).

Note	(DKr m)	2008	2007
41	**Leasing**		
	The Group as lessor		
	The Group offers fleet management, truck leasing, IT leasing, machinery leasing (such as agricultural machinery) and real property leasing under both finance and operating leases.		

Payments due under finance leases

Loans and advances includes payments due under finance leases worth DKr31,786m at the end of 2008 (2007: DKr29,431m).

Finance leases	2008	2007
At January 1	29,431	26,345
Additions	13,505	12,629
Disposals	10,201	9,543
Foreign currency translation	-949	-
At December 31	31,786	29,431

Finance leases expiring	2008	2007
within 1 year	4,395	4,201
in 1-5 years	16,067	18,715
after 5 years	11,324	6,515
Total	31,786	29,431

Gross investment in finance leases expiring	2008	2007
within 1 year	5,255	5,004
in 1-5 years	18,923	22,396
after 5 years	15,767	8,676
Total	39,945	36,076
Unearned finance income	8,159	6,645
Unguaranteed residual value	2,645	2,742

Impairment charges for finance leases amounted to DKr510m at the end of 2008 (2007: DKr154m).

Payments due under operating leases

The Group recognises assets leased under operating leases as tangible assets (lease assets), investment property and investment property under insurance contracts. The table below breaks down minimum lease payments by lease term.

Operating leases expiring	2008	2007
within 1 year	1,341	1,051
in 1-5 years	2,840	2,357
after 5 years	1,040	1,555
Total	5,221	4,963

The Group as lessee

The Group is the lessee in a number of operating leases under which payments fall due over a number of years. The leases mainly involve leasing of real property, equipment, furniture and fixtures and are not recognised on the Group's balance sheet. The table below breaks down minimum lease payments by lease term.

Operating leases expiring	2008	2007
within 1 year	333	360
in 1-5 years	1,206	1,088
after 5 years	2,282	1,639
Total	3,821	3,087

Staff costs and administrative expenses includes lease payments in the amount of DKr865m (2007: DKr794m).

In 2008, the Group did not enter into finance leases as the lessee.

Note	(DKr m)
42	Acquisition of group undertakings

Acquisitions in 2008

Danske Invest Management A/S	Date	Fair value of net assets	Goodwill on acquisition	Acquisition costs	Total purchase price	Included in net profit
Danske Capital	07.05.08	64	16	6	80	-

On May 7, 2008, the Danske Bank Group acquired the shares of Danske Invest Administration A/S at a price of DKr74m, which equals the shareholders' equity of the company at the end of 2007 plus a premium of DKr10m for know-how. The total purchase price also includes acquisition costs of DKr6m. Danske Invest Administration A/S changed its name to Danske Invest Management A/S in November 2008.

If the Group had taken over Danske Invest Management A/S on January 1, 2008, its profit would have been around DKr0.2m higher and its total income around DKr34m higher.

The goodwill on acquisition totalling DKr16m represents the value of the acquired company's expected profitability that cannot be reliably attributed to individually identifiable assets, including the value of staff, know-how and expected synergies from the integration into the Danske Bank Group.

Costs related to the acquisition of Danske Invest Management A/S comprise fees paid to legal advisers, auditors, financial advisers and other specialists as well as other direct transaction costs.

Net assets acquired	Fair value at the date of acquisition	Carrying amount before acquisition
Due from credit institutions	9	9
Trading portfolio assets	61	61
Tangible assets	7	7
Other assets	3	3
Total assets	80	80
Other liabilities	16	16
Total liabilities	16	16
Net assets acquired	64	64

The figures were calculated just before the acquisition in accordance with the accounting policies of Danske Invest Management A/S.

Acquisitions in 2007

Sampo Bank group	Date	Fair value of net assets	Goodwill on acquisition	Acquisition costs	Total purchase price	Included in net profit
Banking Activities Finland	01.02.2007	11,516	11,205			473
Banking Activities Baltics	01.02.2007	1,685	3,467			289
Danske Markets	01.02.2007	-	1,126			317
Danske Capital	01.02.2007	-	1,812			225
Total		13,201	17,610	578	30,811	1,304

In November 2006, the Danske Bank Group made an agreement to acquire all the shares of the Finnish-based Sampo Bank. The acquisition was approved on January 30, 2007, and completed on February 1, 2007. The financial statements of the Sampo Bank group were consolidated into the financial statements of the Danske Bank Group with effect from this date.

If the Group had taken over the Sampo Bank group on January 1, 2007, its profit would have been DKr162m higher and its total income DKr506m higher. The effect of the consolidation of Sampo Bank on profit before amortisation charges for intangible assets for the period from February to December 2007 was an increase of DKr1,797m.

The following table shows the allocation of the purchase price by net assets, identifiable intangible assets and goodwill.

Goodwill represents the value of the acquired companies' expected profitability that cannot be reliably attributed to individually identifiable assets, including the value of staff, know-how, position in the community and expected synergies from the integration into the Danske Bank Group.

Note	(DKr m)
42 (cont'd)	At the acquisition of Sampo Bank, the Group also acquired the right to use the Sampo Bank name. The right is considered to have an indefinite useful life as the name has been used for a considerable number of years and is well-established in Finland. Consequently, the name will play a vital role in the future branding of the Group's activities in Finland together with Danske Bank's logo and visual identity. No contractual, competitive, economic or other factors limit the useful life of the name.

With the acquisition, the Group strengthened its competitive position in the Nordic market, and the investment in Finland reinforced the Group's strategy of expanding its retail banking operations in northern Europe. The subsidiary banks of Sampo Bank in Lithuania, Estonia and Latvia have achieved substantial growth and increasing market shares, especially in mortgage financing.

The expenses for the acquisition of Sampo Bank comprise fees paid to legal advisers, auditors, financial advisers and other specialists as well as other direct transaction costs.

The fair value of loans, advances and deposits in the opening balance sheet was increased by DKr308m compared with the carrying amount of these items recognised before the acquisition. The effect of the value adjustment on interest income generated by Banking Activities Finland is a decrease of about DKr170m in 2007, a decrease of about DKr70m in each of the following four years, and an increase of DKr35m in the interest income generated by Danske Markets in 2007.

The fair value of issued bonds in the opening balance sheet was increased by DKr77m compared with the carrying amount of this item recognised before the acquisition. This value adjustment increased the interest income generated by Danske Markets in 2007.

Allocation of purchase price	
Purchase price	30,233
Costs	578
Total	30,811

Total purchase price		Amortisation/depreciation
Net assets at market value, excluding items below	9,403	
Identifiable intangible assets		
Customer relations	4,371	10
Other contractual rights	349	1-5
Rights to name	465	Annual impairment test
Deferred tax	-1,387	
Net assets acquired	13,201	
Goodwill	17,610	Annual impairment test

Net assets acquired	Fair value at the time of acquisition	Carrying amount before acquisition
Due from credit institutions	13,258	13,258
Investment securities	1,001	1,001
Bank loans and advances	158,379	158,280
Trading portfolio assets	14,586	14,603
Intangible assets	5,690	530
Tangible assets	747	673
Other assets	8,699	8,450
Total assets	202,360	196,795
Due to credit institutions	6,595	6,595
Deposits	91,946	92,155
Trading portfolio liabilities	3,922	3,922
Other issued bonds	69,182	69,105
Subordinated debt	7,825	7,825
Other liabilities	9,689	8,196
Total liabilities	189,159	187,798
Net assets acquired	13,201	8,997

The figures were calculated just before the acquisition in accordance with the accounting policies of the Sampo Bank group (IFRSs). The amounts were translated into Danish kroner at the exchange rate at the date of acquisition.

Note (DKr m)

43 Related parties

	Parties with significant influence		Associated undertakings		Board of Directors		Executive Board	
	2008	2007	2008	2007	2008	2007	2008	2007
Loans and irrevocable loan commitments	7,520	7,876	5,378	3,044	66	54	14	15
Securities and derivatives	1,592	1,444	9,995	10,748	-	-	-	-
Deposits	3,255	2,124	411	1,374	38	31	12	13
Derivatives	495	-	2,173	-	-	-	-	-
Guarantees issued	1,896	1,910	23	30	-	-	-	-
Guarantees and collateral received	322	404	4,657	1,160	24	13	13	10
Interest income	109	163	641	292	3	2	1	1
Interest expense	115	154	63	18	1	1	1	1
Fee income	3	7	1	5	-	-	-	-
Dividend income	16	14	170	311	-	-	-	-
Other income	10	29	-	5	-	-	-	-

Related parties with significant influence are shareholders with holdings exceeding 20% of Danske Bank A/S's share capital (see the management's report). Notes 22 and 23 list associated undertakings. The Board of Directors and Executive Board columns list the personal facilities, deposits, etc., held by members of the Board of Directors and the Executive Board and their dependants and facilities with businesses in which these parties have a controlling or significant interest.

In 2008, the average interest rates on credit facilities granted to members of the Board of Directors and the Executive Board were 5.1% (2007: 4.5%) and 5.2% (2007: 4.6%), respectively. Note 9 specifies the remuneration and shareholdings of the management.

Pension funds set up for the purpose of paying out pension benefits to employees of the Danske Bank Group are also considered related parties. Note 36 specifies transactions with such pension funds.

Danske Bank A/S acts as the bank of a number of its related parties. Payment services, trading in securities and other instruments, investment and placement of surplus liquidity, and provision of short-term and long-term financing are the primary services provided by Danske Bank A/S.

Furthermore, Danica Pension manages the pension plans of a number of related parties, and Danske Capital manages the assets of a number of the Group's pension funds.

The figures above do not include debt to related parties in the form of issued notes. Such notes are bearer securities, which means that the Group does not know the identity of the holders. Danske Bank shares may be registered by name. The management's report lists related parties' holdings of Danske Bank shares (5% or more of Danske Bank's share capital) on the basis of the most recent reporting of holdings to the Bank.

Transactions with related parties are settled on an arm's-length basis.

Note	(number)				
43	Holdings of the Board of Directors and the Executive Board	Beginning of 2008	Additions	Disposals	End of 2008
(cont'd)	Board of directors				
	Alf Duch-Pedersen	12,006	-	-	12,006
	Eivind Kolding	3,521	7,846	-	11,367
	Henning Christophersen	4,085	-	-	4,085
	Peter Højland	12,000	17,000	-	29,000
	Mats Jansson	-	250	-	250
	Niels Chr. Nielsen	11,108	1,150	-	12,258
	Sten Scheibye	2,557	6,201	-	8,758
	Majken Schultz	-	917	-	917
	Claus Vastrup	975	-	-	975
	Birgit Aagaard-Svendsen	5,691	1,693	-	7,384
	Helle Brøndum	2,057	153	-	2,210
	Charlotte Hoffmann	150	534	-	684
	Per Alling Toubro	357	799	-	1,156
	Verner Usbeck	421	183	-	604
	Solveig Ørteby	1,088	586	-	1,674
	Total	56,016	37,312	-	93,328
	Executive Board				
	Peter Straarup	17,511	3,576	-	21,087
	Sven Lystbæk	4,550	2,521	-	7,071
	Tonny Thierry Andersen	1,408	2,631	-	4,039
	Per Skovhus	2,565	2,022	-	4,587
	Total	26,034	10,750	-	36,784

Note	(DKr m)

44 Fair value information

Financial instruments are carried on the balance sheet at fair value or amortised cost. The table below breaks down the financial instruments of each item by valuation method.

	2008		2007	
	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	16,379	-	13,861
Due from credit institutions and central banks	-	215,823	-	345,959
Trading portfolio assets	860,788	-	652,137	-
Investment securities	134,317	6,476	35,328	2,323
Loans and advances	-	1,352,113	-	1,360,413
Loans and advances at fair value	667,181	-	627,809	-
Assets under pooled schemes and unit-linked investment contracts	34,635	-	40,758	-
Assets under insurance contracts	155,345	1,059	164,299	1,798
Total	1,852,266	1,591,850	1,520,331	1,724,354
Financial liabilities				
Due to credit institutions and central banks	-	562,726	-	677,355
Trading portfolio liabilities	623,290	-	331,547	-
Deposits	-	874,690	-	923,995
Issued mortgage bonds	479,534	-	518,693	-
Deposits under pooled schemes and unit-linked investment contracts	41,827	-	50,260	-
Other issued bonds	-	526,606	-	402,391
Subordinated debt	-	57,860	-	59,025
Irrevocable loan commitments and guarantees	-	621	-	290
Total	1,144,651	2,022,503	900,500	2,063,056

Financial instruments at fair value

The fair value is the amount for which a financial asset can be exchanged between knowledgeable, willing parties. If an active market exists, the Group uses a quoted price as the market price. If a financial instrument is quoted in a market that is not active, the Group bases its valuation on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance, by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no active market exists. In this case, the Group uses recent transactions in similar instruments and discounted cash flows or generally accepted estimation and valuation techniques based on market conditions at the balance sheet date to calculate an estimated value.

With the exception of government bonds, bond markets became increasingly inactive and illiquid during 2008. It is therefore difficult to distinguish between forced sales of bonds between market makers and investors who had to liquidate their positions and normal transactions that are representative of a market and can be used for valuation purposes. In addition to quoted prices, the valuation of financial instruments relies on observable market prices for instruments with similar security codes, if available, and models based on observable input used to value financial instruments that are not traded in an active market. These models incorporate swap rates, credit spreads and effective interest rates.

A small portion of the bonds (0.3%) is valued using models, historical market data and price indications in the market. These bonds are characterised by high illiquidity.

Generally, the Group applies valuation techniques to OTC derivatives, unlisted trading portfolio assets and liabilities, and unlisted investment securities. The most frequently used valuation and estimation techniques include the pricing of transactions with future settlement and swap models that apply present value calculations, credit pricing models as well as options models, such as Black & Scholes models. In most cases, valuation is based substantially on observable input.

Recognition of mortgage loans and issued mortgage bonds is based on the fair value of issued mortgage bonds. The Group adjusts for the fair value of the credit risk on the bonds on the basis of impairment principles similar to those applied for loans and advances at amortised cost. The administration margin on mortgage loans, which is the part of the interest margin that reflects the credit risk on a borrower, is based on long-term assumptions and therefore changed only in rare cases.

Note	(DKr m)
44 (cont'd)	Investment securities (see note 17) include unlisted shares measured at fair value in accordance with the fair value guidelines of the European Private Equity & Venture Capital Association (EVCA). These valuation guidelines are based on the estimated fair value of unlisted shares, which is calculated as the price at which an asset can be exchanged between knowledgeable, willing parties.

2008	Quoted prices	Observable input	Non-observable input	Total
Financial assets				
Trading portfolio assets	280,257	579,466	1,064	860,787
Investment securities	98,644	33,901	1,772	134,317
Loans and advances at fair value	-	667,181	-	667,181
Assets under pooled schemes and unit-linked investment contracts	34,635	-	-	34,635
Assets under insurance contracts	145,929	7,669	1,747	155,345
Total	559,465	1,288,217	4,583	1,852,265
Financial liabilities				
Trading portfolio liabilities	16,545	606,745	-	623,290
Issued mortgage bonds	479,534	-	-	479,534
Deposits under pooled schemes and unit-linked investment contracts	-	41,827	-	41,827
Total	496,079	648,572	-	1,144,651

2007	Quoted prices	Observable input	Non-observable input	Total
Financial assets				
Trading portfolio assets	434,683	216,911	543	652,137
Investment securities	32,737	2,591	-	35,328
Loans and advances at fair value	-	627,809	-	627,809
Assets under pooled schemes and unit-linked investment contracts	40,758	-	-	40,758
Assets under insurance contracts	160,998	-	3,301	164,299
Total	669,176	847,311	3,844	1,520,331
Financial liabilities				
Trading portfolio liabilities	10,339	321,208	-	331,547
Issued mortgage bonds	518,693	-	-	518,693
Deposits under pooled schemes and unit-linked investment contracts	-	50,260	-	50,260
Total	529,032	371,468	-	900,500

At December 31, 2008, financial instruments measured on the basis of non-observable input comprised unlisted shares [DKr3,643m] and illiquid bonds [DKr940m]. The fair value of bonds significantly depends on the estimated current credit spread. If the credit spread widens by 50bp, fair value will decrease by DKr101m. If the credit spread narrows by 50bp, fair value will increase by DKr119m.

In 2008, the Group recognised unrealised value adjustments of unlisted shares and credit bonds valued on the basis of non-observable input in the amount of DKr-1,558m [2007: DKr352m).

Note	(DKr m)
44	Financial instruments at amortised cost
(cont'd)	

The vast majority of amounts due to the Group, loans and advances, and deposits may not be assigned without the consent of customers, and an active market does not exist for such financial instruments. Consequently, the Group bases its fair value estimates on data showing changes in market conditions after the initial recognition of the individual instrument affecting the price that would have been fixed if the terms had been agreed at the balance sheet date. Other people may make other estimates. The Group discloses information about the fair value of financial instruments at amortised cost on the basis of the following assumptions:

- The Group uses quoted market prices, if available. Quoted prices exist only for a very small number of loans and advances, certain investment securities, issued bonds and subordinated debt. If quoted prices are not available, the value is approximated to reflect the price that would have been fixed if the terms had been agreed at the balance sheet date. Such adjustment is described below.
- For a significant number of the Group's loans and advances, the interest rate depends on the standard variable rate fixed by the Group. The rate is adjusted only upon certain changes in market conditions. Such loans and advances are considered variable-rate loans as the standard variable rate fixed by the Group at any time applies to both new and existing loan arrangements.
- The interest rate risk on fixed-rate financial assets and liabilities is generally hedged by derivatives. The interest rate risk on fixed-rate loans and advances granted by the Group's activities in Finland, Northern Ireland and Ireland is, however, hedged by core free funds. Any additional interest rate risk is hedged by derivatives. The hedge is accounted for as a fair value hedge, and value adjustments are recognised in the hedged financial instrument. Consequently, only fair value changes in fixed-rate loans in Finland, Northern Ireland and Ireland are unhedged. These unhedged changes are included in the recognised fair values.
- The fair value of the Group's international backup liquidity facilities and syndicated loans, etc., is estimated on the basis of the Group's current required rate of return on similar transactions. For issued bonds and subordinated debt, the Group uses an estimate of the current return required by the market.
- As regards other loans and advances, impairment charges are assumed to equal the fair value of the credit risk with the following adjustments:
  - The calculation of impairment charges for loans and advances subject to individual impairment is based on the most likely outcome. Fair value is adjusted by weighting all possible outcomes by the probability of default. For other loans and advances, impairment charges are recognised if a customer's rating is downgraded to reflect a change in the probability of default.
  - The increases in credit margins on individual risks recorded in 2008 are accounted for by adjusting fair value for the difference between the current credit premium and the credit premium for loans and advances at the balance sheet date.
- The fair value of deposits does not include fair value adjustment for changes in credit margins for own credit risks. For issued bonds and subordinated debt that are not traded in an active market, fair value includes own credit risk that is determined on the basis of observable input from own issues in an active market.

Fair value calculations for financial instruments recognised at amortised cost largely rely on estimates. The fair value of 97% of the Group's financial assets is based on models with non-observable input. The corresponding figure for financial liabilities is 99%.

	Carrying amount 2008	Fair value 2008	Carrying amount 2007	Fair value 2007
Financial assets				
Cash in hand and demand deposits with central banks	16,379	16,379	13,861	13,861
Due from credit institutions and central banks	215,823	215,823	345,959	346,091
Investment securities	6,476	6,553	2,323	2,383
Loans and advances	1,352,113	1,334,004	1,360,413	1,359,552
Assets under insurance contracts	1,059	1,059	1,798	1,798
Total	1,591,850	1,573,818	1,724,354	1,723,685
Financial liabilities				
Due to credit institutions and central banks	562,726	562,777	677,355	677,368
Deposits	874,690	874,844	923,995	924,249
Other issued bonds	526,606	519,552	402,391	402,105
Subordinated debt	57,860	43,666	59,025	56,528
Irrevocable loan commitments and guarantees	621	1,593	290	540
Total	2,022,503	2,002,432	2,063,056	2,060,790

Group holdings and undertakings

		Share capital (thousands)	Net profit (DKr m)	Shareholders' equity (DKr m)	Share capital (%)
Danske Bank A/S, Copenhagen	DKK	6,988,043	1,036	98,247	
Credit institutions					
Realkredit Danmark A/S, Kgs. Lyngby	DKK	630,000	2,810	38,569	100
Sampo Bank plc. Helsinki	EUR	106,000	943	15,209	100
Sampo Housing Loan Bank plc., Helsinki	EUR	41,050	85	809	100
Northern Bank Limited, Belfast	GBP	94,000	114	2,570	100
Danske Bank International S.A., Luxembourg	EUR	90,625	55	1,407	100
ZAO Danske Bank, St. Petersburg	RUB	1,048,000	10	203	100
Insurance operations					
Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999, Copenhagen	DKK	1,000,000	-820	16,886	100
Danica Pension, Livsforsikringsaktieselskab, Copenhagen	DKK	1,100,000	-865	15,085	100
Danica Pension I, Livsforsikringsaktieselskab, Copenhagen	DKK	262,500	-17	687	100
Danica Liv III, Livsforsikringsaktieselskab, Copenhagen	DKK	90,000	-33	710	100
Danica Pension Försäkringsaktiebolag, Stockholm	SEK	100,000	6	119	100
Danica Pensjonsforsikring AS, Trondheim	NOK	106,344	44	188	100
Danica Life Ltd., Dublin	EUR	5,301	-2	50	100
Investment and real property operations, etc.					
3 C Assets Management Ltd., Helsinki	EUR	700	-	8	100
Danica ButiksCenter A/S, Copenhagen	DKK	450,000	852	9,569	100
Danica Ejendomsselskab ApS, Copenhagen	DKK	1,076,652	352	7,635	100
Danske Capital AS, Tallin	EEK	47,000	15	67	100
Danske Capital Norge AS, Trondheim	NOK	6,000	-	20	100
DDB Invest AB, Linköping	SEK	100,000	54	1,120	100
Danske Corporation, Delaware	USD	4	-	1	100
Danske Invest Management A/S, Copenhagen	DKK	42,810	-7	57	100
Danske Leasing A/S, Birkerød	DKK	10,000	170	1,234	100
Danske Markets Inc., Delaware	USD	2,000	1	25	100
Danske Private Equity A/S, Copenhagen	DKK	5,000	33	50	100
Fokus Krogsveen Nylander AS, Trondheim	NOK	25,000	-124	-70	100
home a/s, Åbyhøj	DKK	15,000	13	298	100
National Irish Asset Finance Ltd., Dublin	EUR	12,384	9	119	100
UAB Danske Lizingas, Vilnius	LTL	4,000	-1	1	100

The list above includes major active subsidiary operations only.

All credit institutions and insurance companies under supervision by national FSAs are subject to local statutory capital requirements. These requirements restrict credit facilities and dividend payout.

Forsikringsselskabet Danica Skadeforsikringsaktieselskab af 1999 is the parent company of Danica Pension. Danica Pension is a life insurance company and the parent company of a life insurance group. Danica Pension is under an obligation to allocate part of its equity to certain policyholders of Statsanstalten for Livsforsikring (now part of Danica Pension) if the percentage by which equity exceeds the statutory solvency requirement is higher than the percentage maintained by Statsanstalten for Livsforsikring before the privatisation of the company in 1990. In addition, the intention is not to distribute dividends for a period of at least 25 years from 1990. Paid-up capital and interest accrued on such capital may, however, be distributed.

Definitions of key financial ratios

Key financial ratio	Definition
Earnings per share (DKr)	Net profit for the year divided by the average number of shares outstanding during the year.
Diluted earnings per share (DKr)	Net profit for the year divided by the average number of shares outstanding during the year, including the dilutive effect of share options and conditional shares granted as share-based payments.
Return on average shareholders' equity (%)	Net profit for the year divided by average shareholders' equity during the year.
Cost/income ratio (%)	Operating expenses divided by total income.
Solvency ratio	Total capital base, less statutory deductions, divided by risk-weighted assets.
Core (tier 1) capital ratio	Core (tier 1) capital, including hybrid core capital, less statutory deductions, divided by risk-weighted assets.
Core (tier 1) capital	Core (tier 1) capital consists primarily of paid-up share capital, plus retained earnings, less intangible assets.
Hybrid core capital	Hybrid core capital consists of loans that form part of core (tier 1) capital. This means that hybrid core capital is used for covering losses if shareholders' equity is lost.
Capital base	The capital base consists of shareholders' equity and supplementary capital, less certain deductions, such as deduction for goodwill. Supplementary capital may not account for more than half of the capital base.
Supplementary capital	Supplementary capital consists of subordinated loan capital that fulfils certain requirements. For example, if the Group defaults on its payment obligations, lenders cannot claim early redemption of the loan capital.
Risk-weighted assets	Total risk-weighted assets and off-balance-sheet items for credit risk, market risk and operational risk as calculated in accordance with the Danish FSA's rules on capital adequacy.
Dividend per share (DKr)	Proposed dividend of the net profit for the year divided by the number of issued shares at the end of the year.
Share price at December 31	Closing price of Danske Bank shares at the end of the year.
Book value per share (DKr)	Shareholders' equity at December 31 divided by the number of shares outstanding at the end of the year.
Number of full-time-equivalent staff at December 31	Number of full-time-equivalent staff (part-time staff translated into full-time staff) at the end of the year.

NOTES – DANSKE BANK GROUP

(DKr m)	2008	2007	2006	2005	2004
HIGHLIGHTS					
Net interest and fee income	47,312	41,549	33,328	35,939	31,704
Value adjustments	-10,852	5,847	6,611	3,787	9,230
Staff costs and administrative expenses	22,607	22,516	18,092	16,988	15,003
Loan impairment charges etc.	12,088	687	-496	-1,096	760
Income from associated undertakings	217	285	546	892	760
Net profit for the year	1,036	14,870	13,545	12,685	9,226
Loans and advances	2,019,294	1,988,222	1,656,906	1,398,695	1,139,666
Shareholders' equity	98,247	104,355	95,172	74,089	66,690
Total assets	3,543,974	3,349,530	2,739,361	2,431,988	2,052,507

RATIOS AND KEY FIGURES					
Solvency ratio (%)	13.0	9.3	11.4	10.3	10.2
Core (tier 1) capital ratio (%)	9.2	6.4	8.6	7.3	7.7
Return on equity before tax (%)	0.5	18.5	21.1	22.8	17.8
Return on equity after tax (%)	-0.4	14.4	15.8	16.8	13.2
Cost/income ratio (DKr)	1.01	1.76	2.01	1.95	1.74
Interest rate risk (%)	3.1	2.8	1.0	0.7	1.1
Foreign exchange position (%)	4.6	1.4	1.5	0.8	1.8
Exchange rate risk (%)	0.1	-	-	-	-
Loans and advances plus impairment charges as % of deposits	225.0	208.0	235.6	221.4	233.8
Gearing of loans and advances (%)	19.8	18.3	16.7	17.9	16.7
Growth in loans and advances (%)	1.7	20.8	18.3	24.1	10.7
Surplus liquidity in relation to statutory liquidity requirement (%)	83.6	102.5	170.4	203.3	177.2
Large exposures as % of capital base	124.7	176.8	144.6	178.4	164.4
Impairment ratio (%)	0.6	-	-	-	-
Earnings per share (DKr)	1.5	21.7	21.5	20.2	14.4
Book value per share (DKr)	142.4	152.7	139.1	118.2	106.7
Proposed dividend per share (DKr)	-	8.5	7.75	10.00	7.85
Share price at December 31/earnings per share (DKr)	34.7	9.2	11.6	11.0	11.6
Share price at December 31/book value per share (DKr)	0.37	1.31	1.80	1.87	1.57

The ratios and key figures are defined in the Danish FSA's executive order on financial reports of credit institutions etc. and are calculated on the basis of the financial reporting to the Danish FSA. The accounting policies depart from IFRSs, see Significant accounting policies.

Risk exposure

The Danske Bank Group is exposed to a number of risks, which it manages at different organisational levels.

The categories of risk are as follows:

- Credit risk: The risk of losses because counterparties fail to meet all or part of their payment obligations to the Group.
- Market risk: The risk of losses because the fair value of the Group's assets and liabilities varies with changes in market conditions.
- Liquidity risk: The risk of losses because the Group's funding costs increase disproportionately, lack of funding prevents the Group from establishing new business, or lack of funding ultimately prevents the Group from meeting its obligations.
- Insurance risk: All types of risk in Danica Pension, including market risk, life insurance risk, business risk and operational risk.
- Pension risk: The risk of a pension shortfall in the Group's defined benefit plans that requires it to make additional contributions to cover pension obligations to current and former employees.
- Operational risk: The risk of losses owing to deficient or erroneous internal procedures and processes, human or system errors, or external events, including legal risks.
- Business risk: The risk of losses caused by changes in external circumstances or events that harm the Group's reputation or earnings.

Danica Pension is a wholly-owned subsidiary of Danske Bank. As required by Danish law and the executive order on the contribution principle, Danica Pension has notified the Danish FSA of its profit policy. The contribution principle and the profit policy imply that policyholders receive the returns on assets allocated to them. Assets are allocated to policyholders to secure customers' guaranteed benefits. Market risk and other risks on assets and liabilities allocated to policyholders are therefore not consolidated in the following tables, but are treated in the section on life insurance risk.

For additional information about the Group's risk management approach, see the management's report and Risk Management 2008, which can be downloaded from the Group's website at www.danskebank.com/ir.

Capital base

Danske Bank is a licensed financial services provider and must therefore comply with the capital requirements contained in the Danish Financial Business Act. Danish capital adequacy rules are based on the EU capital requirements directives and apply to both the Parent Company, Danske Bank A/S, and the Group. Similarly, the Group's financial subsidiaries in and outside Denmark must comply with local capital requirements.

The capital adequacy rules call for a minimum capital level of 8% of risk-weighted assets plus any additional capital needed. Detailed rules regulate the calculation of capital and risk-weighted assets. Capital comprises core (tier 1) capital and subordinated debt. Core (tier 1) capital largely corresponds to the carrying amount of shareholders' equity, but goodwill and other intangible assets, etc., are not included. The solvency presentation in the section on statement of capital shows the difference between the carrying amount of shareholders' equity and core (tier 1) capital. The Group's subordinated debt may, subject to certain conditions, be included in the capital base. Sections 124, 132 and 136 of the Danish Financial Business Act specify these conditions. Note 33 shows the Group's subordinated debt.

At the beginning of 2008, the Group's minimum capital targets for its core capital and solvency ratios were 7.5% and 11.0%, respectively. At the end of 2008, these capital targets no longer formed the basis for optimum solvency level management because the Group believes that higher minimum targets will be needed in response to the international financial turmoil. In the light of this situation, the Group will revise its capital targets when conditions in the financial markets have been clarified.

Three international rating agencies – Standard & Poor's, Moody's and Fitch Ratings – regularly assess the Group's ability to honour its payment obligations. The rating targets are an essential part of the Group's capital targets because good ratings give the Group easier and cheaper access to capital and liquidity from the capital markets.

(DKr m)

Credit risk

The Group extends credit on the basis of the individual customer's financial position, which is reviewed regularly to assess whether the basis for granting credit has changed. Each facility must reasonably match the customer's credit quality and financial position. Furthermore, the customer must be able, in all probability, to demonstrate ability to repay the debt. If the term of a loan or credit facility exceeds five years, the customer is generally required to provide collateral. The Group is cautious about granting credit facilities to businesses and individuals if the Group will have obvious practical difficulties maintaining contact with the customer. The Group is particularly careful in granting credit to businesses in troubled or cyclical industries.

Credit exposure

The Group's credit exposure is calculated on the basis of selected items on and off the balance sheet.

	2008	2007
Credit exposure relating to lending activities		
Balance sheet items:		
Demand deposits with central banks	9,968	6,813
Due from credit institutions and central banks	215,823	345,959
Loans and advances	1,352,113	1,360,413
Loans and advances at fair value	667,181	627,809
Off-balance-sheet items:		
Guarantees	107,648	109,242
Loan commitments < 1 year	51,874	97,598
Loan commitments > 1 year	115,263	131,940
Total credit exposure relating to lending activities	2,519,870	2,679,774
Credit exposure relating to trading and investment activities		
Balance sheet items:		
Trading portfolio assets	860,788	652,137
Investment securities	140,793	37,651
Off-balance-sheet items:		
Other unutilised commitments	1,042	3,542
Total credit exposure relating to trading and investment activities	1,002,623	693,330
Total credit exposure	3,522,493	3,373,104

The credit exposure generated by lending activities comprises items subject to credit risk that form part of the Group's core banking business, whereas the credit exposure generated by trading and investment activities comprises items subject to credit risk that form part of the Group's trading activities, including derivatives. The following tables list separate information for each of the two portfolios.

(DKr m)

Credit exposure relating to lending activities

The table named Credit exposure broken down by industry (GICS) shows the credit exposure of the Group's core banking business by asset class as defined in the Capital Requirements Directive (CRD). Credit exposure is broken down by asset class on the basis of a classification of each individual customer.

The table breaks down the Group's credit exposure by industry. The breakdown is based on an approximation of the Global Industry Classification Standard (GICS) with the following additional categories: personal customers, subsidised housing companies, and central and local governments.

Credit exposure broken down by industry (GICS)

2008	Retail, personal customers	Retail, business customers	Corporate customers	Institutions	Governments	Securitisation	Total
Central and local governments	-	-	-	-	75,852	-	75,852
Subsidised housing companies	-	12,077	147,494	-	-	-	159,571
Banks	-	-	-	245,712	-	-	245,712
Diversified financials	-	1,630	149,530	48,558	-	34,780	234,498
Other financials	-	116	127,832	22,216	-	5,366	155,530
Energy and utilities	-	250	44,068	-	-	-	44,318
Consumer discretionary and consumer staples	-	23,431	216,956	-	-	-	240,387
Commercial property	-	6,519	198,909	-	-	-	205,428
Construction, engineering and building products	-	2,575	39,482	-	-	-	42,057
Transportation and shipping	-	2,107	73,107	-	-	-	75,214
Other industrials	-	4,650	89,357	-	-	-	94,007
IT	-	848	14,891	-	-	-	15,739
Materials	-	1,220	54,870	-	-	-	56,090
Health care	-	1,473	31,553	-	-	-	33,026
Telecommunication services	-	39	8,655	-	-	-	8,694
Personal customers	833,747	-	-	-	-	-	833,747
Total	833,747	56,935	1,196,704	316,486	75,852	40,146	2,519,870

2007	Retail, personal customers	Retail, business customers	Corporate customers	Institutions	Governments	Securitisation	Total
Central and local governments	-	-	-	-	139,696	-	139,696
Subsidised housing companies	-	11,402	139,441	-	-	-	150,843
Banks	-	-	-	332,865	-	-	332,865
Diversified financials	-	4,278	217,416	144,163	-	30,693	396,550
Other financials	-	889	40,717	30,938	-	9,825	82,369
Energy and utilities	-	192	30,300	-	-	-	30,492
Consumer discretionary and consumer staples	-	22,028	186,284	-	-	-	208,312
Commercial property	-	1,865	171,028	-	-	-	172,893
Construction, engineering and building products	-	2,526	54,103	-	-	-	56,629
Transportation and shipping	-	2,719	58,220	-	-	-	60,939
Other industrials	-	4,498	96,304	-	-	-	100,802
IT	-	867	13,631	-	-	-	14,498
Materials	-	1,277	47,793	-	-	-	49,070
Health care	-	1,713	24,322	-	-	-	26,035
Telecommunication services	-	43	7,245	-	-	-	7,288
Personal customers	850,493	-	-	-	-	-	850,493
Total	850,493	54,297	1,086,804	507,966	139,696	40,518	2,679,774

(DKr m)

Credit exposure broken down by geographical area

The table named Credit exposure broken down by geographical area shows the Group's credit exposure broken down by customers' country of residence.

2008	Retail, personal customers	Retail, business customers	Corporate customers	Institutions	Governments	Securitisation	Total
Denmark	576,649	37,027	588,681	54,391	38,576	-	1,295,324
Finland	87,242	3,633	97,211	13,493	3,063	-	204,642
Sweden	51,427	6,301	159,566	31,195	23,231	-	271,720
Ireland	30,998	2,767	50,865	33,159	1,372	868	120,029
UK	16,963	2,344	67,343	82,530	150	35,962	205,292
Germany	607	93	18,764	12,188	155	-	31,807
Baltics	14,409	27	14,420	1,868	624	-	31,348
Other EU member states	3,041	1,427	36,699	54,528	684	724	97,103
Norway	48,164	3,241	102,770	7,873	7,002	-	169,050
Eastern Europe	95	2	704	1,393	-	-	2,194
Other European countries	963	-	8,420	3,440	-	-	12,823
North America	1,113	8	44,595	10,692	-	2,357	58,765
Central and South America	269	44	1,083	194	186	-	1,776
Africa	212	-	387	932	445	-	1,976
Asia	1,413	15	4,883	8,314	364	235	15,224
Oceania	182	6	313	296	-	-	797
Total	833,747	56,935	1,196,704	316,486	75,852	40,146	2,519,870

2007							
Denmark	577,181	36,766	423,043	45,469	79,245	-	1,161,704
Finland	97,746	6,471	97,201	1,530	1,100	86	204,134
Sweden	51,678	2,078	168,961	39,826	27,725	-	290,268
Ireland	27,350	2,342	39,071	39,003	1,453	92	109,311
UK	19,823	3,238	95,009	255,451	10,103	16,895	400,519
Germany	624	64	19,616	20,422	112	5,133	45,971
Baltics	13,508	37	16,493	1,580	1,219	-	32,837
Other EU member states	3,311	100	29,948	51,099	694	725	85,877
Norway	54,974	3,136	96,973	8,315	16,286	-	179,684
Eastern Europe	113	3	372	1,529	-	-	2,017
Other European countries	1,046	-	5,291	3,456	-	34	9,827
North America	1,118	9	89,052	31,269	-	17,288	138,736
Central and South America	218	29	1,814	278	140	-	2,479
Africa	234	-	197	498	-	-	929
Asia	1,399	17	3,404	8,189	1,619	-	14,628
Oceania	170	7	359	52	-	265	853
Total	850,493	54,297	1,086,804	507,966	139,696	40,518	2,679,774

(DKr m)

Classification of customers

The Group monitors exposures regularly to identify signs of weakness in customer earnings and liquidity as soon as possible. The processes of assigning and updating classifications on the basis of new information about customers form part of the Group's credit procedures.

The rating of customers is a process managed by the Group's credit department. Customer advisers provide factual data about their customers, but they cannot influence the classification of customers. The process is designed to make rating decisions independent of the individual adviser. The Group assigns credit scores to customers not rated, including personal customers. On the basis of customer data, the Group has developed a number of statistical models to predict the probability of customers' defaulting on their obligations to the Group.

In 2008, the Group implemented a new rating scale consisting of 11 rating categories. Many categories are divided into two or three sub-categories, meaning that the new rating scale has a total of 26 sub-categories. The previous rating scale comprised ten rating categories and no sub-categories. The purpose of implementing the new scale is to assign more accurate ratings.

Rating categories 1 to 4 largely correspond to the investment grade level of external rating agencies, whereas rating categories 5-7 correspond to the sub-investment grade level, although the credit risk on customers in these categories is acceptable. Categories 8 and 9 comprise customers with increased risk. The Group closely monitors the facilities of these customers. Rating category 10 covers customers that pose a considerable risk to the Group and customers in default where objective evidence of impairment exists. Rating category 11 comprises customers in bankruptcy. PD expresses the probability of default of each rating category. PDs are based on point-in-time calculations.

The Group monitors the ability of its rating and credit scoring systems to grade customers by risk and to predict the probability of default.

Credit exposure broken down by rating category

2008 Rating category	Lower PD	Upper PD	Retail, personal customers	Retail, business customers	Corporate customers	Institutions	Governments	Securitisation	Total
1	0.00	0.01	27,529	367	101,511	7,752	57,202	11,917	206,278
2	0.01	0.03	98,063	1,543	80,378	87,139	14,387	16,112	297,622
3	0.03	0.06	138,873	7,054	163,411	132,928	1,248	3,604	447,118
4	0.06	0.14	152,216	6,834	208,179	43,569	601	2,606	414,005
5	0.14	0.31	152,615	6,493	241,655	26,034	1,150	-	427,947
6	0.31	0.63	81,685	15,443	198,739	14,555	671	-	311,093
7	0.63	1.90	103,120	11,409	84,967	1,423	276	132	201,327
8	1.90	7.98	66,892	5,956	74,806	2,078	316	5,775	155,823
9	7.98	25.70	7,282	1,067	16,891	797	1	-	26,038
10	25.70	99.99	1,010	323	7,583	-	-	-	8,916
11	100.00	100.00	4,462	446	18,584	211	-	-	23,703
Total			833,747	56,935	1,196,704	316,486	75,852	40,146	2,519,870

2007 Rating category	Mid-point PD							
1	0.01	178	2	6,933	18,810	122,907	12,614	161,444
2	0.02	28,045	834	83,511	234,554	13,055	15,796	375,795
3	0.04	268,392	947	150,248	190,850	2,529	2,902	615,868
4	0.10	176,941	15,951	257,572	35,459	349	8,709	494,981
5	0.26	176,952	8,325	302,888	12,549	123	-	500,837
6	0.52	99,714	15,493	229,399	12,330	308	-	357,244
7	1.91	89,160	9,338	42,271	2,794	423	-	143,986
8	9.70	7,994	3,094	8,439	620	2	-	20,149
9	25.70	392	153	2,078	-	-	497	3,120
10	100.00	2,725	160	3,465	-	-	-	6,350
Total		850,493	54,297	1,086,804	507,966	139,696	40,518	2,679,774

(DKr m)

Concentration risks

In its credit risk management, the Group identifies concentration ratios that may pose a risk to its credit portfolio. As part of its business strategy, the Group divides its portfolio of credit facilities into three overall categories: loans to Danish customers, loans to financial customers and loans to finance real property.

Under section 145 of the Danish Financial Business Act, exposure to a single customer or a group of related customers, after deduction of particularly secure claims, may not exceed 25% of the capital base. Moreover, after deduction of particularly secure claims, the sum of all exposures that exceed 10% of the capital base may not exceed 800% of the capital base. The Group submits quarterly reports to the Danish FSA on its compliance with these rules. In 2008, none of the Group's exposures exceeded these limits.

The table below shows credit exposures to groups totalling 10% or more of the Group's capital base. The table does not include intra-group balances.

Large exposures	2008 Exposures calculated in accordance with section 145	2007 Exposures calculated in accordance with section 145
Number	9	11
Exposure >20% of capital base	-	24,829
Exposure between 10% and 20% of capital base	131,478	160,782
Total	131,478	185,611
Utilisation of 800% limit (%)	107.0	152.4

(DKr m)

Collateral
The Group applies the various instruments available to reduce the risk on individual transactions, including collateral in the form of physical assets, netting agreements and guarantees.

Collateral is provided for a number of loan types to comply with statutory provisions or market practice, for example in the mortgage finance market. The most important instruments to reduce risk are charges, guarantees and netting agreements under derivatives master agreements. The types of collateral most frequently provided are real property, financial assets (shares and bonds) and motor vehicles.

The Group regularly assesses the value of collateral provided. It calculates the value as the price that would be obtained in a forced sale less deductions reflecting selling costs and the period over which the asset is up for sale. The Group has developed models to automatically estimate the value of the most frequently occurring types of collateral. For collateral for which no valuation model exists, the Group calculates the value manually. To allow for the uncertainty associated with calculating the value of collateral received, the Group reduces such value by haircuts. For real property, haircuts reflect the expected costs of a forced sale. For listed securities, haircuts are calculated on the basis of an internal price volatility model. For unlisted securities, the haircut is 100%.

2008	Retail, personal customers	Retail, business customers	Corporate customers	Institutions	Governments	Securitisation	Total
Credit exposure	833,747	56,935	1,196,704	316,486	75,852	40,146	2,519,870
Collateral value	684,626	36,669	670,377	191,867	10,371	27,554	1,621,464
Total unsecured credit exposure	149,121	20,266	526,327	124,619	65,481	12,592	898,406
Unsecured portion of credit exposure (%)	17.9	35.6	44.0	39.4	86.3	31.4	35.7
2007							
Credit exposure	850,493	54,297	1,086,804	507,966	139,696	40,518	2,679,774
Collateral value	713,068	36,344	572,008	314,121	53,983	32,660	1,722,184
Total unsecured credit exposure	137,425	17,953	514,796	193,845	85,713	7,858	957,590
Unsecured portion of credit exposure (%)	16.2	33.1	47.4	38.2	61.4	19.4	35.7

2008	Retail, personal customers	Retail, business customers	Corporate customers	Institutions	Governments	Securitisation	Total
Real property	663,239	26,363	352,314	1,864	1,007	23,701	1,068,488
Bank accounts	801	299	8,073	5	1	-	9,179
Custody accounts and securities	4,928	427	201,983	170,799	7,091	2,386	387,614
Vehicles	5,415	3,312	7,485	18	364	-	16,594
Equipment	92	1,526	13,987	52	50	-	15,707
Vessels and aircraft	113	129	28,928	-	1	-	29,171
Guarantees	8,809	4,271	20,720	14,302	1,002	-	49,104
Amounts due	66	150	3,888	10	60	1,147	5,321
Other assets	1,163	192	32,999	4,817	795	320	40,286
Total	684,626	36,669	670,377	191,867	10,371	27,554	1,621,464
2007							
Real property	677,563	26,188	316,261	1,763	1,137	6,277	1,029,189
Bank accounts	962	240	3,833	24	1	149	5,209
Custody accounts and securities	7,820	562	151,515	296,332	49,939	22,754	528,922
Vehicles	4,671	2,085	5,716	805	633	-	13,910
Equipment	1,298	1,421	12,684	38	82	-	15,523
Vessels and aircraft	100	69	18,841	-	-	-	19,010
Guarantees	13,799	4,584	20,442	1,514	609	-	40,948
Amounts due	79	109	3,011	-	-	3,331	6,530
Other assets	6,776	1,086	39,705	13,645	1,582	149	62,943
Total	713,068	36,344	572,008	314,121	53,983	32,660	1,722,184

(DKr m)

Unsecured portion broken down by rating category

2008 Rating category	Credit exposure	Collateral	Unsecured portion (%) 0-10	10-25	25-50	50-75	75-100	Avg. unsecured portion (%)
1	206,278	138,825	138,860	1,329	1,276	451	64,362	32.7
2	297,622	202,681	189,923	12,038	6,169	3,921	85,571	31.9
3	447,118	308,065	277,822	21,277	14,473	7,830	125,716	31.1
4	414,005	217,767	175,360	23,093	23,454	8,439	183,659	47.4
5	427,947	273,030	214,043	29,126	30,011	15,105	139,662	36.2
6	311,093	207,498	158,222	23,943	25,666	11,981	91,281	33.3
7	201,327	135,292	85,771	18,224	25,723	7,708	63,901	32.8
8	155,823	99,103	65,596	11,654	18,207	6,928	53,438	36.4
9	26,038	17,394	11,638	1,689	2,589	1,090	9,032	33.2
10	8,916	5,687	2,166	1,107	1,731	810	3,102	36.2
11	23,703	16,122	12,105	2,108	5,181	1,220	3,089	32.0
Total	2,519,870	1,621,464	1,331,506	145,588	154,480	65,483	822,813	35.7

2007 Rating category								
1	161,444	75,214	77,167	1,100	23	1	83,153	53.4
2	375,795	237,487	205,496	41,552	10,485	1,360	116,902	36.8
3	615,868	432,293	367,722	56,402	31,243	5,287	155,214	29.8
4	494,981	292,780	258,547	20,638	24,071	10,026	181,699	40.9
5	500,837	353,972	294,291	21,598	31,228	13,101	140,619	29.3
6	357,244	213,562	180,063	21,508	20,166	9,457	126,050	40.2
7	143,986	100,803	92,487	5,601	4,966	2,799	38,133	30.0
8	20,149	10,330	8,383	1,070	1,074	774	8,848	48.7
9	3,120	2,047	1,033	1,313	108	106	560	34.4
10	6,350	3,696	3,374	368	520	292	1,796	41.8
Total	2,679,774	1,722,184	1,488,563	171,150	123,884	43,203	852,974	35.7

Past due amounts (no evidence of impairment)

2008	Retail, personal customers	Retail, business customers	Corporate customers	Institutions	Governments	Securitisation	Total	Due under loans
1-5 days	465	103	425	5	4	-	1,002	4,147
6-30 days	81	35	131	-	1	-	248	3,870
31-60 days	238	107	718	-	-	-	1,063	7,424
61-90 days	48	19	116	-	-	-	183	1,689
> 90 days	124	32	554	21	4	-	735	6,629
Total	956	296	1,944	26	9	-	3,231	23,759

Unauthorised excesses totalled 66% (2007: 87%). The average unsecured portion of the individual claims was 44.4% at the end of 2008 (2007: 56.5%). Of total collateral received, collateral in the form of real property accounted for 84% (2007: 51%).

2007								
1-5 days	891	182	1,818	334	2	-	3,227	7,400
6-30 days	288	98	437	-	1	-	824	6,912
31-60 days	146	30	217	2	-	-	395	3,098
61-90 days	42	9	60	-	-	-	111	1,114
> 90 days	81	16	126	-	13	-	236	2,564
Total	1,448	335	2,658	336	16	-	4,793	21,088

(DKr m)

Impairment charges

The allowance account includes all impairment charges for loans and advances, loans and advances at fair value, amounts due from credit institutions and central banks, and provisions for losses on irrevocable loan commitments and guarantees.

Rating categories 10 and 11 include credit facilities for which objective evidence of impairment exists and individual impairment charges made. In 2007, with the previous rating scale, rating categories 9 and 10 covered customers with individually impaired facilities. Credit facilities held by customers in the other rating categories are subject to collective impairment testing.

Allowance account broken down by type of impairment

	2008			2007		
	Individual impairment	Collective impairment	Total impairment charges, end of year	Individual impairment	Collective impairment	Total impairment charges, end of year
At January 1	3,575	1,325	4,900	3,324	880	4,204
New impairment charges	9,750	3,790	13,540	2,956	1,009	3,965
Reversals of impairment charges from previous periods	1,122	412	1,534	2,487	679	3,166
Write-offs debited to allowance account	967	-	967	875	-	875
Foreign currency translation	-129	-25	-154	-5	-5	-10
Other items	83	-10	73	662	120	782
At December 31	11,190	4,668	15,858	3,575	1,325	4,900

Collective impairment charges include charges made upon the downgrading of customers to lower rating categories. If all customers were downgraded one rating category with no corresponding interest rate change, the collective impairment charge would increase by about DKr3.3bn.

(DKr m)

Allowance account broken down by industry

2008	Credit exposure Total	Credit exposure Past due	Credit exposure Rating categories 10-11	Impairment charges, end of year Individual impairment	Impairment charges, end of year Collective impairment	Impairment charges, end of year Total	Loan impairment charges
Central and local governments	75,852	1,828	123	-	8	8	-
Subsidised housing companies	159,571	749	2,640	110	66	176	186
Banks	245,712	21	139	551	-	551	550
Diversified financials	234,498	649	5,208	1,799	2,267	4,066	3,986
Other financials	155,530	400	256	64	23	87	146
Energy and utilities	44,318	120	285	109	40	149	105
Consumer discretionary and consumer staples	240,387	3,759	3,319	1,903	570	2,473	1,469
Commercial property	205,428	3,323	7,408	2,417	496	2,913	2,533
Construction, engineering and building products	42,057	835	2,290	737	272	1,009	791
Transportation and shipping	75,214	515	158	233	224	457	416
Other industrials	94,007	2,066	2,872	823	226	1,049	358
IT	15,739	285	177	564	73	637	454
Materials	56,090	588	680	399	60	459	181
Health care	33,026	121	383	104	19	123	112
Telecommunication services	8,694	218	20	13	4	17	18
Personal customers	833,747	8,282	6,661	1,364	320	1,684	783
Total	2,519,870	23,759	32,619	11,190	4,668	15,858	12,088

2007	Credit exposure Total	Credit exposure Past due	Credit exposure Rating categories 9-10	Impairment charges, end of year Individual impairment	Impairment charges, end of year Collective impairment	Impairment charges, end of year Total	Loan impairment charges
Central and local governments	139,696	2,940	11	35	-	35	35
Subsidised housing companies	150,843	383	849	55	2	57	54
Banks	332,865	40	-	2	-	2	40
Diversified financials	396,550	380	1,787	38	6	44	45
Other financials	82,369	238	155	18	43	61	27
Energy and utilities	30,492	559	-	27	114	141	77
Consumer discretionary and consumer staples	208,312	2,687	855	1,012	305	1,317	314
Commercial property	172,893	1,852	354	156	26	182	-425
Construction, engineering and building products	56,629	819	-	149	12	161	124
Transportation and shipping	60,939	746	-	724	63	787	-1
Other industrials	100,802	1,849	1,754	119	9	128	-159
IT	14,498	190	23	55	27	82	-40
Materials	49,070	196	-	175	64	239	14
Health care	26,035	132	744	190	18	208	7
Telecommunication services	7,288	156	-	24	7	31	-
Personal customers	850,493	7,921	2,939	796	629	1,425	575
Total	2,679,774	21,088	9,471	3,575	1,325	4,900	687

(DKr m)

Impairment charges broken down by geographical area

2008	Credit exposure Total	Credit exposure Past due	Credit exposure Rating categories 10-11	Impairment charges, end of year Individual impairment	Impairment charges, end of year Collective impairment	Impairment charges, end of year Total	Loan impairment charges
Denmark	1,295,324	12,838	9,822	5,045	1,437	6,482	6,739
Finland	204,642	3,047	2,190	958	116	1,074	390
Sweden	271,720	720	1,727	574	127	701	505
Ireland	120,029	2,019	6,536	1,500	349	1,849	1,645
UK	205,292	800	2,733	524	2,212	2,736	700
Germany	31,807	95	680	203	36	239	-26
Baltics	31,348	2,218	470	165	251	416	101
Other EU member states	97,103	2	775	258	-	258	185
Norway	169,050	1,782	1,876	601	140	741	472
Eastern Europe	2,194	2	1	1	-	1	-
Other European countries	12,823	-	419	136	-	136	113
North America	58,765	30	5,348	1,182	-	1,182	1,244
Central and South America	1,776	145	24	12	-	12	8
Africa	1,976	2	2	8	-	8	7
Asia	15,224	57	15	23	-	23	5
Oceania	797	2	1	-	-	-	-
Total	2,519,870	23,759	32,619	11,190	4,668	15,858	12,088

2007	Credit exposure Total	Credit exposure Past due	Credit exposure Rating categories 9-10	Impairment charges, end of year Individual impairment	Impairment charges, end of year Collective impairment	Impairment charges, end of year Total	Loan impairment charges
Denmark	1,161,704	11,655	3,292	1,579	887	2,466	-502
Finland	204,134	1,612	439	340	131	471	-106
Sweden	290,268	3,100	570	251	50	301	211
Ireland	109,311	1,021	384	172	65	237	359
UK	400,519	657	1,412	102	40	142	99
Germany	45,971	91	166	263	4	267	458
Baltics	32,837	187	-	-	83	83	-1
Other EU member states	85,877	99	1,136	43	-	43	122
Norway	179,684	2,494	623	299	65	364	-
Eastern Europe	2,017	3	-	2	-	2	4
Other European countries	9,827	22	775	432	-	432	1
North America	138,736	45	674	63	-	63	30
Central and South America	2,479	6	-	5	-	5	1
Africa	929	4	-	2	-	2	3
Asia	14,628	91	-	21	-	21	7
Oceania	853	1	-	1	-	1	1
Total	2,679,774	21,088	9,471	3,575	1,325	4,900	687

Allowance account for individual impairment charges broken down by evidence of impairment

	2008 Exposure before impairment	2008 Impairment charges	2007 Exposure before impairment	2007 Impairment charges
Bankruptcy	14,581	3,580	2,265	724
Collection/suspension of payments	4,927	1,778	2,071	606
Composition/restructuring of debt	7,651	1,624	1,919	566
90 days past due	3,383	866	-	-
Other financial difficulties	13,266	3,342	6,791	1,679
Total	43,808	11,190	13,046	3,575

For 2007, Other financial difficulties includes the 90 days past due figure. The average unsecured portion of impaired claims was 33.1% at the end of 2008 (2007: 39.4%). Of total collateral received, collateral in the form of real property accounted for 72% (2007: 64%].

(DKr m)

Credit exposure relating to trading and investment activities

	2008	2007
Bonds	422,585	457,688
Shares	4,540	7,484
Derivatives with positive fair value	574,456	224,616
Other unutilised commitments	1,042	3,542
Total	1,002,623	693,330

Other unutilised commitments comprises private equity investment commitments and other obligations.

Bond portfolio broken down by geographical area

2008	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Credit bonds	Total	Total 2007
Denmark	11,824	-	170,695	-	-	108	1,008	183,635	232,751
Finland	3,561	2	-	-	622	8,013	735	12,933	13,302
Sweden	7,869	-	-	84,441	-	4,529	423	97,262	109,921
Norway	1,475	-	-	-	1,124	3,707	2,206	8,512	8,575
Ireland	229	-	-	-	558	843	2,705	4,335	4,069
UK	9,255	-	-	-	13,150	900	1,811	25,116	16,237
Germany	22,924	1,623	-	-	1,726	550	2,616	29,439	21,772
Spain	1,492	-	-	-	14,700	4,405	172	20,769	17,633
France	3,742	-	-	-	4,858	3,593	366	12,559	6,113
Italy	-	-	-	-	-	697	6,556	7,253	8,943
North America	146	6,004	-	-	373	57	1,752	8,332	17,532
Other	4,220	688	-	-	1,534	2,429	3,569	12,440	840
Total	66,737	8,317	170,695	84,441	38,645	29,831	23,919	422,585	457,688

Bond portfolio broken down by rating category

2008	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Credit bonds	Total
1	63,848	6,723	2	3,105	5,251	-	7,888	86,817
2	2,836	1,594	153,677	78,141	19,846	21,356	6,654	284,104
3	53	-	17,014	3,195	11,033	6,427	3,344	41,066
4	-	-	-	-	2,095	1,091	1,597	4,783
5	-	-	-	-	421	809	2,863	4,093
6	-	-	2	-	-	147	1,128	1,277
7	-	-	-	-	-	-	176	176
8	-	-	-	-	-	-	138	138
9	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	131	131
Total	66,737	8,317	170,695	84,441	38,646	29,830	23,919	422,585

(DKr m)

Derivatives with positive fair value

	2008	2007
Derivatives with positive fair value	574,456	224,616
Netting benefits	453,888	181,237
Net current exposure	120,568	43,379

Derivatives with positive fair value broken down by rating category

	Issued by		
2008	Financial customers	Other	Total
1	12,392	17,147	29,539
2	249,422	4,665	254,087
3	206,238	5,271	211,509
4	24,090	7,673	31,763
5	8,137	5,261	13,398
6	3,232	2,984	6,216
7	25,493	1,574	27,067
8	64	534	598
9	70	209	279
10	-	-	-
11	-	-	-
Total	529,138	45,318	574,456

(DKr m)

Market risk

Market risk is defined as the risk of losses on the Group's assets and liabilities because of movements in the financial markets.

The Group uses both conventional risk measures and internal mathematical and statistical models, such as Value at Risk (VaR), to manage its market risk on positions in and outside the trading portfolio on a daily basis.

Market risk consists of six elements:

- Interest rate risk: The risk of losses because of changes in market interest rates.
- Exchange rate risk: The risk of losses on the Group's positions in foreign currency because of changes in exchange rates.
- Equity market risk: The risk of losses because of changes in equity prices.
- Credit spread risk: The risk of losses because of changes in credit spreads.
- Inflation rate risk: The risk of losses because of changes in traded future inflation rates.
- Commodity risk: The risk of losses because of changes in commodity prices.

Models

The Group measures and manages the risk on positions exposed to interest rate changes on a daily basis. Interest rate risk is calculated as the expected loss on interest rate positions in the event of a general increase in all interest rates of one percentage point. The Group also calculates yield curve risk, which expresses the risk of losses if interest rates for various terms change independently of one another.

The Group uses a VaR model that includes all currency exposures, including options, to manage its exchange rate risk. The calculation of exchange rate risk is based on two parameters: a confidence level of 95% and a time horizon of ten days.

Equity market risk is divided into the risk associated with listed shares and that associated with unlisted shares. For listed shares, the Group calculates equity market risk as the net fair value of short-term and long-term positions in equities and equity-related instruments. For unlisted shares, a distinction is made between standard open positions, unutilised private equity commitments and bank-related investments.

The value of the Group's holdings of corporate bonds and credit default swaps depends on changes in traded credit spreads. The Group monitors this risk on a daily basis and sets limits on maximum losses in the event of a change in the spread of one basis point.

The Group has a relatively large holding of Danish mortgage bonds as well as holdings of Danish and non-Danish covered bonds. In 2008, the Danish mortgage finance market was extremely illiquid, and the spread between mortgage bonds and the swap curve widened, leading to a substantial decrease in the market value of these holdings. As a consequence, the Group decided in 2008 to supplement the previous issuer lines with market risk limits for Danish mortgage bonds and non-Danish covered bonds. Like credit spread risk limits, these limits are generally set as the maximum loss from a change in the spread of one basis point. At the end of 2008, mortgage spread risk amounted to DKr97m. Neither mortgage spread risk nor credit spread risk is subject to the Group's internal VaR model (described below).

Commodity risk is measured as the expected loss on positions in commodities following changes of +/-10 percentage points in individual commodity indices.

VaR is a statistical measure quantifying the maximum loss that the Group may incur on its portfolios under normal market conditions at a confidence level of 95% on the assumption that the Group keeps its positions unchanged for ten days. One of the major strengths of VaR is that it provides an aggregate measure of all risk types included in the model and factors in the correlation structure of the financial markets.

The Group also uses VaR to calculate its capital requirement at a confidence level of 99%.

Conventional risk measures

At the end of 2008 and 2007, the Group's market risk was as follows (calculations based on conventional risk measures):

	2008	2007
Interest rate risk (parallel shift of the yield curve of 1 percentage point)	2,776	2,417
Exchange rate risk (VaR, confidence level of 95%, 10-day horizon)	76	7
Equity market risk, listed equities (net position)	558	1,105
Equity market risk, unlisted equities (net position)	3,153	3,340
Credit spread risk on corporate bonds (basis point value)	4	3
Inflation rate risk (change in traded future inflation of 1 percentage point)	49	160
Commodity risk (10% change in commodity prices)	7	3

Currency exposure was limited in 2008 and 2007.

The breakdown of interest rate risk by due date is calculated on the basis of an interest rate rise of 1 percentage point at the end of the year.

	< 1 year	1-3 years	3-7 years	7-11 years	> 11 years	Total
Interest rate risk 2008	401	1,653	916	800	-994	2,776
Interest rate risk 2007	1,165	-559	710	872	229	2,417

(DKr m)

Value-at-Risk

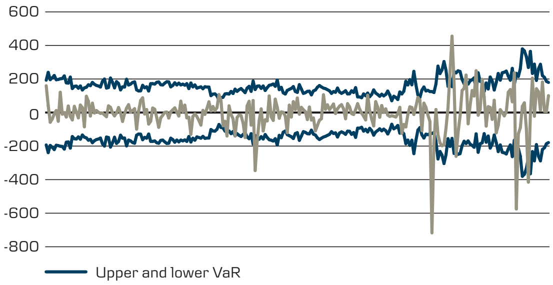
The table below shows the VaR figures used for internal risk management purposes. In mid-2007, the Group switched from a parametric model to simulations based on historical data.

	2008				2007			
Risk category	Avg. VaR	Minimum VaR	Maximum VaR	Dec. 31	Avg. VaR	Minimum VaR	Maximum VaR	Dec. 31
Interest rate risk	348	149	565	389	239	68	694	584
Exchange rate risk	10	-	94	76	10	3	20	4
Equity market risk	219	135	350	277	73	47	138	84
Diversification benefit	-214			-276	-74			-107
Total VaR	363	201	674	466	248	90	655	565

Back and stress testing

The Group conducts back tests on a daily basis to document that its VaR model is sufficiently robust to measure market risk. At a confidence level of 99% and a time horizon of one day, back tests compare the VaR figures calculated by the model with hypothetical losses or gains assuming a situation where the Group's positions remain unchanged, but where market prices change.

BACK TEST RESULTS, P/L EFFECT, 2008
(DKr m)



The number of exceptions is attributable to increased volatility throughout the greater part of 2008. The model captures volatility only to some extent as it is based on equally weighted market data for the past two years. This means that the large daily fluctuations in market risk factors affect the calculated results only gradually. As a consequence of the exceptions, the Group has adjusted the model so that it better captures volatile market fluctuations. This adjustment increases the weighting of market data for the past 12 months as compared with the weighting of data for the preceding 12 months. The adjustment was made in early 2009. In the current market situation, the VaR figure is expected to increase by around 15%. For 2008, additional capital was allocated under Pillar II.

To measure the risk of losses under unusual market conditions, the Group conducts a number of stress tests and scenario analyses.

Stress tests based on worst-case scenarios usually involve a combination of extreme fluctuations in interest rates, equity prices and exchange rates, whereas scenario analyses may reflect historical or expected market fluctuations. The scenarios are revised and updated regularly to reflect changes in the Group's risk profile and economic events.

The table below shows the maximum loss following a number of extreme – but not necessarily very likely – shocks. The stress test is based on an interest rate change of +/- 200 basis points combined with standard equity price and exchange rate shocks.

Risk category	Change	Maximum loss 2008	Maximum loss 2007
Equity market risk	+20/-20%	114	325
Exchange rate risk	+10/-10%	-	-
Interest rate risk	+200/-200bp	4,193	4,885

(DKr bn)

Liquidity risk

Liquidity risk is defined as the risk of losses because

- the Group's funding costs increase disproportionately
- lack of funding prevents the Group from establishing new business
- lack of funding ultimately prevents the Group from meeting its obligations.

The Group's liquidity risk does not include the liquidity risks of Realkredit Danmark and Danica. At Realkredit Danmark, the financing of mortgage loans through listed mortgage bonds with matching terms eliminates liquidity risk in all material respects. Danica's balance sheet comprises long-term contributions and assets of which a large portion is invested in liquid listed bonds and easily marketable shares. As both companies are subject to statutory limits on commitments to Danske Bank, their liquidity is not included in liquidity management at Group level.

Group-level liquidity management is based on regular monitoring and management of the Group's short- and long-term liquidity risks and builds on the following four themes: operational liquidity risk, liquidity stress tests, 12-month liquidity and structural liquidity risk.

Operational liquidity risk

The primary aim of managing operational liquidity risk is to ensure that the Group always has a liquidity buffer capable, in the short term, of absorbing the net effects of current transactions and expected changes in liquidity.

The Group manages its operational liquidity risk on the basis of limits approved by the Board of Directors, including separate foreign currency liquidity limits. Liquidity is determined on the basis of the Group's known future receipts and payments under transactions already entered into as well as its holdings of liquid bonds. Operational liquidity risk factors in estimated effects on the Danish kroner liquidity of the Danish government's receipts and payments. An effect of irrevocable loan commitments is also included to ensure that liquidity management takes account of the potential risk of drawings under such commitments.

The Danske Bank Group's strong foothold in the Danish market generates substantial surplus funds from deposits. These funds constitute a valuable and stable funding source. As part of managing operational liquidity risk, the Group monitors its liquidity position in the Danish market on the basis of a number of set targets.

Liquidity stress tests

The Group conducts stress tests that estimate liquidity risks in various scenarios in order to measure the current liquidity risk level and to be able to respond as quickly as possible to crises. Stress tests are conducted regularly and have a time horizon of up to six months.

The stress tests comprise four standard scenarios: two Danske Bank-specific scenarios with mild and severe recessions and two general market crises with mild and severe recessions.

The scenarios assume that lending activities do not decline. The degree of possible refinancing will vary, depending on the scenario in question. For example, the Group's opportunities for issuing certificates will be more limited in a scenario where the Group's short-term rating is downgraded than in a scenario with a mild recession.

The Group constantly monitors the distribution of funding sources by product, currency, maturity and counterparty to ensure that it has a funding base that provides the best possible protection if markets come under pressure.

12-month liquidity

In its "Bank Financial Strength Ratings: Global Methodology", Moody's has set various classification requirements for banks' liquidity management. One requirement is that the 12-month liquidity curve must generally be positive. Liquidity calculations must assume, among other factors, that the Group is cut off from capital markets. No access to capital prevents the Group from refinancing debt at maturity through bonds, certificates and subordinated debt. On this basis, the Group's liquidity calculations generates a positive liquidity curve for the first six months of 2009.

	1 week	2 weeks	3 weeks	1 month	2 months	3 months	4 months	5 months	6 months	9 months	12 months
2008	294	288	264	200	143	46	32	16	1	-26	-49
2007	233	220	186	116	79	47	40	34	26	-3	-30

The Group monitors its liquidity reserve to ensure that it remains robust if it is cut off from capital markets.

Structural liquidity risk

The Group's structural liquidity risk relates to its long-term liquidity mismatch. The purpose of managing structural liquidity risk is to ensure that the Group does not create an unnecessarily large need for funding in the future. Managing such risk is important when the Group plans its funding activities.

Structural liquidity risk is based on a breakdown by maturity of the Group's assets, liabilities and off-balance-sheet items. The Group bases these calculations on the contractual due dates of individual products, but takes into account that some balance sheet items in fact have maturities that deviate materially from their contractual maturities. The maturities of such items are therefore modified to provide a more accurate view of the actual development. For example, demand deposits made by the private sector are contractually very short-term funding, but in practice they are considered a relatively stable funding source.

As part of managing structural liquidity risk, the Group breaks down its liquidity position by a number of variables such as currency, product, business and organisational unit.

Funding sources

The Group monitors the composition of its funding to ensure that it is sufficiently well-diversified in relation to funding sources, maturity and currency. The tables below break down funding sources by type of liability and currency, including funding in the form of bonds issued by Realkredit Danmark.

Funding sources by type of liability (%)	2008	2007
Central banks	11	11
Credit institutions	7	9
Repo transactions	6	10
Short-dated bonds	9	5
Long-term bonds	12	11
Issued mortgage bonds	19	20
Deposits (corporate)	18	17
Deposits (personal)	12	11
Subordinated debt	2	2
Shareholders' equity	4	4
Total	100	100

Funding sources by currency (%)	2008	2007
DKK	39	41
EUR	27	24
USD	18	13
SEK	5	7
GBP	4	8
CHF	3	1
NOK	2	4
Other	2	2
Total	100	100

Insurance risk

The Group's life insurance risk consists of financial risk (market risk and credit risk) and actual insurance risks assumed by Danica Pension.

Financial risk concerns the performance of assets allocated to shareholders' equity and the risk that, in the event of modest returns on customer funds, the collective bonus potential and the bonus potential of paid-up policies are insufficient to cover guaranteed benefits to customers.

The most important factor as regards conventional life insurance products is the relationship between investment securities and life insurance obligations. If the year's returns on customer funds are insufficient to cover the guaranteed return to customers, the necessary strengthening of life insurance provisions, etc., the shortfall will be covered first by the collective bonus potential and then in part by the bonus potential of paid-up policies. If these bonus potentials are insufficient to cover the shortfall, funds are allocated from shareholders' equity.

To ensure that the return on customer funds and customers' guaranteed benefits correlate, the Group monitors its financial risk on an ongoing basis and has set targets for maximum market and interest rate risks. Stress tests are conducted regularly to ensure that Danica is able to withstand a fall in equity prices of 30% and considerable simultaneous changes in interest rates.

The credit risk associated with Danica's bond portfolio is modest since the portfolio consists primarily of government and mortgage bonds with high ratings from international agencies. Individual risks are limited, and collateral has been provided for the value of derivatives hedging interest rate risk.

Liquidity risk is also modest. Many of the assets consist of ultra-liquid listed bonds and easily marketable equities.

To a large extent, policyholders bear the risk on investment securities under unit-linked contracts. The risk on *Danica Link* guarantees is hedged by equity derivatives and by adjustment of investments during the last five years before disbursement. The risk on *Danica Balance* guarantees is managed primarily through the individual customer investment portfolios. The portion of funds invested in equities is regularly adjusted on the basis of the guarantee amount, the remaining life and other factors.

Life insurance risks are linked to trends in mortality, disability, critical illness and other rates. For example, an increase in life expectancy affects the time during which benefits are payable under certain pension plans, whereas trends in mortality, sickness and recoveries affect life insurance and disability benefits. Life expectancy is the most important life insurance risk.

The various risk elements are subject to ongoing actuarial assessment for the purpose of calculating insurance obligations and making relevant business adjustments. Life insurance obligations are calculated on the basis of expected future mortality rates. Estimates are based on data from the Group's own portfolio of insurance contracts, and they are updated regularly.

For health and accident policies, insurance obligations are calculated on the basis of expected future recoveries and reopenings of old claims. Estimates are based on data from Danica's own portfolio of insurance contracts, and they are updated regularly.

To reduce insurance risk, a small portion of the risks related to mortality and disability is covered by reinsurance arrangements. The risk of disasters is also hedged.

(DKr bn)

Sensitivity analysis

The sensitivity indicators show the effect on Danica's equity and collective bonus potential generated by separate changes in interest rates, equity prices, real property prices and actuarial assumptions. If the bonus potential is insufficient to cover policyholders' share of the effect, the shortfall will be covered by funds allocated from shareholders' equity.

At December 31, 2008	Effect on share-holders' equity	Maximum effect on collective bonus potential	Maximum effect on bonus potential of paid-up policies	Total effect
Increase in interest rates of 0.7 of a percentage point	-0.4	-0.3	3.6	2.9
Decline in interest rates of 0.7 of a percentage point	0.1	0.4	-3.4	-2.9
Decline in equity prices of 12%	-0.7	-0.1	-0.6	-1.4
Decline in real property prices of 8%	-0.6	-0.1	-0.6	-1.3
Exchange rate risk (VaR 99.5%)	-	-	-0.1	-0.1
Loss on counterparties of 8%	-0.8	-0.1	-0.7	-1.6
Fall in mortality of 10%	-0.9	-0.1	-0.7	-1.7
Increase in mortality of 10%	-	-	1.5	1.5
Increase in disability of 10%	-	-	-0.2	-0.2
Credit spread widening of 1 percentage point	-0.3	-0.1	-0.4	-0.8

At December 31, 2007	Effect on share-holders' equity	Maximum effect on collective bonus potential	Maximum effect on bonus potential of paid-up policies	Total effect
Increase in interest rates of 0.7 of a percentage point	-0.2	-2.2	4.0	1.6
Decline in interest rates of 0.7 of a percentage point	0.2	0.8	-5.0	-4.0
Decline in equity prices of 12%	-0.4	-4.4	-	-4.8
Decline in real property prices of 8%	-0.1	-1.2	-	-1.3
Exchange rate risk (VaR 99.5%)	-	-0.4	-	-0.4
Loss on counterparties of 8%	-	-1.5	-	-1.5
Fall in mortality of 10%	-	-1.3	-0.1	-1.4
Increase in mortality of 10%	-	1.2	0.2	1.4
Increase in disability of 10%	-	0.1	-	0.1

(DKr m)

Pension risk

The Group's pension risk is the risk of a pension shortfall in the Group's defined benefit plans that requires it to make additional contributions to cover pension obligations to current and former employees.

The use of financial derivatives to reduce inflation and interest rate risks is a cornerstone of the Group's risk management procedures. The Group minimises its pension risk by matching expected future pension benefits with the proceeds from derivatives and the plan assets.

Because of the special complexity of its pension obligations, the Group manages market risk on the basis of special follow-up and monitoring principles – so-called business objectives. Quarterly risk reports follow up on the objectives and analyse the financial status of the individual plans on the basis of sensitivity analyses and the Value at Risk (VaR) measure. The objectives include specific limits that indicate acceptable risk exposure levels.

For every pension plan, the Group calculates net funding and the sensitivity of net funding to changes in interest rates, equity prices and life expectancy. Net funding expresses the difference between the market value of the assets and the present value of the pension obligations.

Sensitivity analysis	Change	Effect 2008	Effect 2007
Equity prices	-20%	-734	-1,259
Interest rates	+1/-1%	+400/+4	+1,304/-921
Life expectancy	+1 year	-241	-380

To supplement the sensitivity analyses, the Group calculates the risk of the individual pension funds as a VaR measure. The calculations are based on a long-term horizon with equity price volatility (20%) and the correlation between interest rates and equity prices (25%) set at values reflecting normal market data. The duration of the pension obligations is reduced by half as empirical data show that inflation risk reduces the interest rate risk on the obligations by approximately 50% in the long term.

At the end of 2008, VaR was DKr1,966m (2007: DKr3,051m). The VaR measure is calculated at a confidence level of 99.97% and a time horizon of one year. The calculation is adjusted for inflation risk. The significant reduction of VaR from 2006 to 2007 is the result of rising interest rates and the use of financial derivatives to reduce interest rate risk.

Note 36 provides additional information about the Group's defined benefit plans.

Operational risk

Operational risk is the risk of losses because of

- deficient or erroneous internal procedures and processes
- human or system errors
- external events, including legal risks.

Operational risk is thus often associated with specific and one-off events, such as failure to meet business or working procedures, errors in or breakdowns of the technical infrastructure, criminal acts, fire and storm damage or litigation. Operational risks are thus non-financial risks. The Group also incorporates indirect effects in its operational risk management. These effects include negative press coverage and loss of customers.

Group operational risk management relies on a framework of policies. Each individual business unit is responsible for the day-to-day monitoring of operational risk and for mitigating losses. The relevant support functions place resources at the disposal of the business units.

The measurement and control framework comprises four qualitative elements:

- Risk identification and assessment ensure that all key risks are effectively highlighted for group-wide transparency and management. This enables the Group to focus on fewer but more fundamental risks.
- Monitoring of key risks is an ongoing process ensuring that an increase in such risks is highlighted on a consistent and a group-wide basis.
- Risk mitigation strategies and implementation processes ensure that key risks are reduced and establish transparency in these strategies and processes.
- Follow-up on loss data and events.

Business risk

Business risk is the risk of losses caused by changes in external circumstances or events that harm the Group's reputation or earnings. It includes the risk of a decline in earnings due to strategic decisions (strategic risk).

Business risk constitutes a separate risk factor in the Group's calculation of economic capital. The Group has developed a model for calculating economic capital for business risk on the basis of measurements of earnings volatility in the individual business units. All other things being equal, a high earnings volatility will increase the risk of losses and thus raise the Group's business risk.

(DKr m)

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 on financial reports of credit institutions etc. The rules are identical to the Group's valuation principles under International Financial Reporting Standards (IFRSs) with the following exceptions:

- Domicile property is measured at its estimated fair value.
- The corridor method is not applied to pension obligations.
- The available-for-sale financial assets category is not used.

The estimated fair value of domicile property is determined in accordance with schedule 8 of the Danish FSA's executive order on financial reports of credit institutions etc. Holdings in subsidiary undertakings are measured on the basis of the equity method, and tax payable by these undertakings is expensed under Income from associated and group undertakings. The format of the Parent Company financial statements is not identical to the format of the consolidated financial statements prepared in accordance with IFRSs.

In June 2008, the subsidiaries of Sampo Pank (Estonia), Sampo bankas (Lithuania) and Sampo Banka (Latvia) were converted into Danske Bank branches. Consequently, the Baltic activities are now recognised under the individual items of the income statement and the balance sheet and not recognised under Income from associated and group undertakings and Holdings in group undertakings. The transfers were made at carrying amounts and therefore did not affect net profit for the year. Comparative figures have been restated, with a resulting increase in the balance sheet total of DKr32bn owing to the recognition of balance sheet totals rather than just the holdings in the three banks.

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 the Danish FSA's rules.

	Net profit 2008	Net profit 2007	Shareholders' equity Dec. 31, 2008	Shareholders' equity Dec. 31, 2007
Consolidated financial statements (IFRSs)	1,036	14,870	98,247	104,355
Domicile property	-191	-55	1,410	1,873
Available-for-sale financial assets	-1,937	-	-	-
Pension obligations	254	345	486	381
Tax effect	414	-107	-163	-101
Minority interests	-38	8	2,979	3,017
Consolidated financial statements (Danish FSA rules)	-462	15,061	102,959	109,525
Minority interests (Danish FSA rules)	-14	65	3,001	3,149
Goodwill on acquisition of minority interests	-	-	55	-
Parent Company financial statements (Danish FSA rules)	-448	14,996	100,013	106,376

The consolidated financial statements list the Group's holdings and undertakings.

INCOME STATEMENT – DANSKE BANK A/S

Note	(DKr m)	2008	2007
2	Interest income	103,252	88,638
3	Interest expense	81,515	72,955
	Net interest income	21,737	15,683
	Dividends from shares etc.	140	97
4	Fee and commission income	8,965	9,249
4	Fees and commissions paid	2,335	2,163
	Net interest and fee income	28,507	22,866
5	Value adjustments	-3,774	2,690
	Other operating income	2,189	1,704
6	Staff costs and administrative expenses	15,438	14,590
7	Amortisation, depreciation and impairment charges	5,326	2,001
	Other operating expenses	674	26
	Loan impairment charges etc.	10,265	306
	Income from associated and group undertakings	3,889	7,054
	Profit before tax	-892	17,391
9	Tax	-444	2,395
	Net profit for the year	-448	14,996
	Proposed profit allocation		
	Equity method reserve	3,864	8,015
	Dividends for the year	-	5,940
	Retained earnings	-4,312	1,041
	Total	-448	14,996

BALANCE SHEET – DANSKE BANK A/S

Note	(DKr m)	2008	2007
	ASSETS		
	Cash in hand and demand deposits with central banks	13,853	10,260
10	Due from credit institutions and central banks	279,222	390,438
11	Loans, advances and other amounts due at amortised cost	1,120,719	1,120,373
	Bonds at fair value	510,626	472,320
16	Bonds at amortised cost	4,952	317
	Shares etc.	3,117	3,735
	Holdings in associated undertakings	637	907
	Holdings in group undertakings	84,201	93,949
17	Assets under pooled schemes	32,068	38,331
	Intangible assets	20,753	24,122
	Land and buildings	4,733	5,244
13	Investment property	81	85
13	Domicile property	4,652	5,159
14	Other tangible assets	4,365	4,216
	Current tax assets	1,173	491
15	Deferred tax assets	908	233
	Assets temporarily taken over	170	59
18	Other assets	595,817	245,829
	Prepayments	1,554	1,627
	Total assets	2,678,868	2,412,451
	LIABILITIES AND EQUITY		
	AMOUNTS DUE		
19	Due to credit institutions and central banks	635,757	748,103
20	Deposits and other amounts due	732,984	765,286
	Deposits under pooled schemes	33,351	40,282
21	Issued bonds at amortised cost	462,915	327,450
	Current tax liabilities	778	641
22	Other liabilities	660,217	370,655
	Deferred income	1,035	994
	Total amounts due	2,527,037	2,253,411
	PROVISIONS FOR LIABILITIES		
	Provisions for pensions and similar obligations	864	887
15	Provisions for deferred tax	530	904
12	Provisions for losses on guarantees	700	265
	Other provisions for liabilities	24	15
	Total provisions for liabilities	2,118	2,071
	SUBORDINATED DEBT		
23	Subordinated debt	49,700	50,593
	SHAREHOLDERS' EQUITY		
	Share capital	6,988	6,988
	Accumulated value adjustments	435	1,097
	Equity method reserve	19,049	24,575
	Retained earnings	73,541	67,776
	Proposed dividends	-	5,940
	Total shareholders' equity	100,013	106,376
	Total liabilities and equity	2,678,868	2,412,451

STATEMENT OF CAPITAL – DANSKE BANK A/S

(DKr m)

Changes in shareholders' equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Equity method reserve	Retained earnings	Proposed dividends	Total 2008	Total 2007
Shareholders' equity at January 1	6,988	-29	1,126	24,575	67,776	5,940	106,376	96,509
Translation of foreign units	-	-2,672	-	-	-	-	-2,672	-767
Foreign unit hedges	-	2,212	-	-	-	-	2,212	728
Fair value adjustment of domicile property	-	-	74	-	-21	-	53	587
Sale of domicile property	-	-	-276	-	275	-	-1	-
Transfer to collective bonus potential under insurance contracts	-	-	-	-	-	-	-	-400
Tax on entries on share-holders' equity	-	-	-	-	-458	-	-458	196
Net gains not recognised in the income statement	-	-460	-202	-	-204	-	-866	344
Net profit for the year	-	-	-	3,864	-4,312	-	-448	14,996
Total income	-	-460	-202	3,864	-4,516	-	-1,314	15,340
Group undertakings	-	-	-	-9,390	9,390	-	-	-
Dividends paid	-	-	-	-	109	-5,940	-5,831	-5,316
Proposed dividends	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-27,597	-	-27,597	-33,459
Sale of own shares	-	-	-	-	28,332	-	28,332	33,132
Share-based payments	-	-	-	-	47	-	47	170
Shareholders' equity at December 31	6,988	-489	924	19,049	73,541	-	100,013	106,376

At the end of 2008, the share capital consisted of 698,804,276 shares of a nominal value of DKr10 each. All shares carry the same rights; there is thus only one class of shares. The management's report provides information about the holders of Danske Bank shares. Danske Bank participates in the two-year state guarantee under the Act on Financial Stability adopted by the Danish parliament on October 10, 2008. The guarantee prohibits dividend payments and share buybacks by the participating banks for as long as the guarantee remains in force.

Own shares held by Danske Bank A/S	Number of shares	Nominal value (DKr m)	Percentage of share capital	Sales/purchase price (DKr m)
Holding at January 1, 2007	11,338,157	114	1.63	
Acquired in 2007	144,644,066	1,446	20.70	33,426
Sold in 2007	144,032,167	1,440	20.61	33,113
Holding at December 31, 2007	11,950,056	120	1.71	
Acquired in 2008	200,098,659	2,001	29	27,500
Sold in 2008	205,335,166	2,053	29	28,116
Holding at December 31, 2008	6,713,549	68	1	

Acquisitions in 2008 and 2007 comprised trading portfolio assets and investments on behalf of customers.

Danske Bank shares held by subsidiary undertakings	Number of shares	Nominal value (DKr m)	Percentage of share capital	Sales/purchase price (DKr m)
Holding at January 1, 2007	3,179,320	32	0.45	
Acquired in 2007	146,650	1	0.02	33
Sold in 2007	75,000	1	0.01	19
Holding at December 31, 2007	3,250,970	32	0.47	
Acquired in 2008	689,727	7	-	97
Sold in 2008	1,653,431	17	-	216
Holding at December 31, 2008	2,287,266	22	-	

Acquisitions in 2008 and 2007 comprised investments on behalf of customers.

STATEMENT OF CAPITAL – DANSKE BANK A/S

(DKr m)	2008	2007
Capital base and solvency ratio		
Shareholders' equity	100,013	106,376
Proposed dividends	-	-5,940
Intangible assets	-20,665	-24,109
Deferred tax assets	-908	-225
Deferred tax on intangible assets	-	-
Revaluation of real property	-924	-1,126
Core (tier 1) capital, excluding hybrid core capital	77,516	74,976
Hybrid core capital	13,679	13,231
Difference between expected losses and impairment charges	-	-
Statutory deduction for insurance subsidiaries	-2,555	-2,230
Other statutory deductions	-31	-18
Core (tier 1) capital	88,609	85,959
Subordinated debt, excluding hybrid core capital	32,415	34,713
Hybrid core capital	1,081	3,224
Revaluation of real property	924	1,126
Difference between expected losses and impairment charges	1,936	-
Statutory deduction for insurance subsidiaries	-2,555	-2,230
Other statutory deductions	-31	-18
Capital base	122,379	122,774
Capital requirement		
Credit risk (IRB approach)	40,745	
Credit risk (standardised approach)	9,578	
Counterparty risk	3,338	
Total credit risk	53,661	
Market risk	6,098	
Operational risk	4,219	
Capital requirement under Pillar I	63,978	
Pillar II and transitional rules	19,135	
ICAAP result	83,113	82,560
Total risk-weighted assets	799,724	1,032,004
Core (tier 1) capital ratio, excluding hybrid core capital (%)	9.69	7.27
Core (tier 1) capital ratio (%)	11.08	8.33
Solvency ratio (%)	15.30	11.90

As of 2008, the solvency and core (tier 1) capital ratios are calculated in accordance with the CRD. For 2007, the solvency and core (tier 1) capital ratios are calculated in accordance with the Danish FSA's rules in force at that time (Basel I). Risk-weighted assets calculated under the Basel I rules amounted to DKr1,079,652m at the end of 2008. The ICAAP result, taking the transitional rules into consideration, was DKr77,735m, equal to 90% of the capital requirement of 8% of risk-weighted assets.

Note	(DKr m)	2008	2007
1	Net interest and fee income and value adjustments broken down by business segment		
	Banking Activities	30,344	25,383
	Danske Markets	-1,742	3,161
	Danske Capital	598	739
	Other	-4,467	-3,727
	Total	24,733	25,556
	Geographical segmentation:		
	Denmark	13,231	16,230
	Finland	350	337
	Ireland	1,365	1,112
	Norway	3,069	2,168
	UK	1,530	1,069
	Sweden	3,996	3,426
	Baltics	825	795
	Germany	244	296
	Poland	123	123
	Total	24,733	25,556

Geographical segmentation is based on the location in which the individual transaction is recorded. The figures for Denmark include financing costs related to investments in non-Danish activities.

Note	(DKr m)	2008	2007
2	Interest income		
	Reverse transactions with credit institutions and central banks	9,701	8,264
	Other transactions with credit institutions and central banks	10,322	8,460
	Reverse loans	11,509	13,283
	Loans, advances and other amounts due	53,896	40,493
	Bonds	19,403	13,003
	Derivatives	-2,043	4,928
	Currency contracts	-3,209	4,514
	Interest rate contracts	1,166	414
	Other interest income	464	207
	Total	103,252	88,638
3	Interest expense		
	Repo transactions with credit institutions and central banks	6,392	5,831
	Other transactions with credit institutions and central banks	29,110	27,557
	Repo deposits	5,611	5,284
	Deposits and other amounts due	21,138	15,935
	Issued bonds	16,344	15,605
	Subordinated debt	2,115	1,951
	Other interest expenses	805	792
	Total	81,515	72,955
4	Fee and commission income		
	Securities trading and custody account fees	3,889	4,441
	Payment services fees	1,609	1,546
	Origination fees	1,470	1,388
	Guarantee commissions	857	795
	Other fees and commissions	1,140	1,079
	Total	8,965	9,249

Note	(DKr m)	2008	2007
5	Value adjustments		
	Loans and advances at fair value	2,048	-617
	Bonds	347	-2,713
	Shares etc.	-1,964	369
	Investment property	157	23
	Currency	1,622	1,391
	Derivatives	961	3,856
	Assets under pooled schemes	-5,492	574
	Deposits under pooled schemes	5,873	-465
	Other assets	-	-
	Other liabilities	-7,326	272
	Total	-3,774	2,690
6	Staff costs and administrative expenses		
	Remuneration of the Executive Board and the Board of Directors		
	Executive Board	23	38
	Board of Directors	8	9
	Total	31	47

In accordance with the Group's general staff policies, Peter Straarup received a 40-year anniversary benefit, equal to two months' salary, and Sven Lystbæk received a 25-year anniversary benefit, equal to one month's salary.

		2008	2007
	Staff costs		
	Salaries	7,813	7,750
	Pensions	1,145	957
	Financial services employer tax etc.	1,012	931
	Total	9,970	9,638
	Other administrative expenses	5,437	4,905
	Total staff costs and administrative expenses	15,438	14,590
	Number of full-time-equivalent staff (avg.)	16,884	16,113

Note 9 of the consolidated financial statements contains additional information about the remuneration of the Executive Board and the Board of Directors.

7 Amortisation, depreciation and impairment charges for intangible and tangible assets

Includes goodwill impairment charges of DKr3.1bn, see note 24 to the consolidated financial statements.

Note		2008	2007
8	Audit fees		
	Total fees to the audit firms appointed by the general meeting that perform the statutory audit	16	12
	Fees for non-audit services included in preceding item	8	3
9	Tax		
	Calculated tax charge for the year	1,006	2,521
	Other deferred tax	-1,379	-69
	Adjustment of prior-year tax charges	-66	24
	Lowering of tax rate	-5	-81
	Total	-444	2,395
	Effective tax rate	%	%
	Danish tax rate	-25.0	25.0
	Non-taxable income and non-deductible expenses	15.8	-1.1
	Difference between tax rates of non-Danish units and Danish tax rate	1.3	0.1
	Adjustment of prior-year tax charges	-1.4	0.2
	Lowering of tax rate	-0.1	-0.4
	Effective tax rate	-9.4	23.8
	Portion included under income from associated and group undertakings	-40.4	10.2
	Total	-49.8	13.6

Note	(DKr m)	2008	2007
10	Due from credit institutions and central banks		
	Demand deposits	17,362	18,828
	Up to 3 months	215,741	328,658
	From 3 months to 1 year	34,951	28,361
	From 1 to 5 years	8,794	12,311
	Over 5 years	2,374	2,280
	Total	279,222	390,438
	Due from credit institutions	248,394	306,415
	Term deposits with central banks	30,828	84,023
	Total	279,222	390,438
	Reverse transactions included in preceding item	147,738	228,801
11	Loans, advances and other amounts due at amortised cost		
	Demand deposits	71,817	73,284
	Up to 3 months	510,603	528,613
	From 3 months to 1 year	168,771	156,393
	From 1 to 5 years	123,030	131,964
	Over 5 years	246,498	230,119
	Total	1,120,719	1,120,373
	Reverse transactions included in preceding item	233,971	287,223
	Loans, advances and guarantees broken down by sector and industry	%	%
	Public sector	3.2	4.1
	Corporate sector:		
	Agriculture, hunting and forestry	1.2	1.1
	Fisheries	0.2	0.2
	Manufacturing industries, extraction of raw materials and utilities	9.6	9.2
	Building and construction	3.5	1.6
	Trade, restaurants and hotels	4.8	5.1
	Transport, mail and telephone	4.4	3.4
	Credit, finance and insurance	40.1	38.9
	Property administration, purchase and sale, and business services	9.8	12.9
	Other	0.6	-
	Total corporate sector	74.2	72.4
	Retail customers	22.6	23.5
	Total	100.0	100.0

Note	(DKr m)					
12	Impairment charges for loans, advances and guarantees, etc.					
		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 January 1, 2008	2,746	1,048	1	-	3,795
	Impairment charges during the year	7,537	3,437	42	-	11,016
	Reversals of impairment charges from previous years	1,398	329	-	-	1,727
	Other changes	6	84	-	-	90
	Impairment charges at December 31, 2008	8,891	4,240	43	-	13,174
	Impairment charges at January 1, 2007	2,763	716	1	-	3,480
	Impairment charges during the year	2,539	755	-	-	3,294
	Reversals of impairment charges from previous years	2,910	522	-	-	3,432
	Other changes	354	99	-	-	453
	Impairment charges at December 31, 2007	2,746	1,048	1	-	3,795

	2008		2007	
	Individual	Collective	Individual	Collective
Total loans, advances and other amounts due (including portfolios) with objective evidence of impairment before impairment charges (the amount does not include loans, advances and other amounts due recognised at nil)	16,711	218,974	2,656	71,731
Carrying amount net of impairment charges	12,626	214,750	1,797	70,756

13 Investment and domicile property

	2008		2007	
	Investment property	Domicile property	Investment property	Domicile property
Fair value/revaluation at January 1	85	5,159	83	4,524
Additions, including property improvement expenditure	4	40	1	537
Disposals	2	423	4	32
Depreciation charges	-	55	-	53
Value adjustment not recognised in the income statement	-	53	-	138
Value adjustment recognised in the income statement	2	30	5	45
Other changes	-8	-152	-	-
Fair value/revaluation at December 31	81	4,652	85	5,159
Required rate of return for calculation of fair value/revaluation (% per annum)	4.0-7.5	5.5-8.75	4.0-4.5	5.0-8.8

The value of real property is assessed by the Group's valuers.

Note	(DKr m)	2008	2007
14	**Other tangible assets**		
	Cost at January 1	7,349	6,384
	Foreign currency translation	-28	-13
	Additions, including property improvement expenditure	2,072	2,130
	Disposals	1,902	1,152
	Cost at December 31	7,491	7,349
	Depreciation and impairment charges at January 1	3,133	2,893
	Foreign currency translation	99	-11
	Depreciation charges	1,099	1,348
	Depreciation and impairment charges for assets sold	1,205	1,097
	Depreciation and impairment charges at December 31	3,126	3,133
	Carrying amount at December 31	4,365	4,216

15

Change in deferred tax	At Jan. 1	Other adjustments	Recognised in profit for the year	Recognised in shareholders' equity	At Dec. 31
2008					
Intangible assets	299	-	-23	-	276
Tangible assets	912	-	-750	298	460
Securities	-225	-	4	-	-221
Provisions for obligations	-335	-8	131	-	-212
Tax loss carryforwards	-6	-	-133	-	-139
Other	26	-20	-548	-	-542
Total	671	-28	-1,319	298	-378
Adj. of prior-year tax charges included in preceding item			-65		
2007					
Intangible assets	236	-	63	-	299
Tangible assets	1,065	9	-162	-	912
Securities	-220	-2	-3	-	-225
Provisions for obligations	-234	-93	-8	-	-335
Tax loss carryforwards	-	-2	-4	-	-6
Other	-34	1	59	-	26
Total	813	-87	-55	-	671
Adj. of prior-year tax charges included in preceding item			204		

	2008	2007
Deferred tax		
Deferred tax assets	908	233
Provisions for deferred tax	530	904
Deferred tax, net	-378	671

In addition to the amount of deferred tax recognised on the balance sheet, Danske Bank is liable for deferred tax of DKr201m (2007: DKr280m) for shares in group undertakings held for less than three years.

Note		2008	2007
16	**Bonds at amortised cost**		
	Fair value of held-to-maturity assets	4,950	317
	Carrying amount of held-to-maturity assets	4,952	317

Note	(DKr m)	2008	2007
17	Assets under pooled schemes		
	Bonds at fair value	20,582	20,322
	Shares	6,844	11,615
	Unit trust certificates	5,197	6,670
	Cash deposits etc.	728	1,675
	Total assets before elimination	33,351	40,282
	Own shares	141	624
	Other internal balances	1,142	1,327
	Total	32,068	38,331
18	Other assets		
	Positive fair value of derivatives	568,205	221,019
	Other assets	27,612	24,810
	Total	595,817	245,829
19	Due to credit institutions and central banks		
	Amounts payable on demand	52,515	66,707
	Up to 3 months	543,985	648,785
	From 3 months to 1 year	35,346	23,206
	From 1 to 5 years	2,267	5,896
	Over 5 years	1,644	3,509
	Total	635,757	748,103
	Repo transactions included in preceding item	148,182	167,994
20	Deposits and other amounts due		
	On demand	345,778	387,550
	Term deposits	10,539	4,766
	Time deposits	257,035	226,973
	Repo deposits	98,441	125,721
	Special deposits	21,191	20,276
	Total	732,984	765,286
	On demand	345,778	387,550
	Up to 3 months	292,352	294,503
	From 3 months to 1 year	28,303	23,817
	From 1 to 5 years	21,095	7,663
	Over 5 years	45,456	51,753
	Total	732,984	765,286
21	Issued bonds at amortised cost		
	On demand	-	-
	Up to 3 months	202,889	106,925
	From 3 months to 1 year	59,593	50,985
	From 1 to 5 years	175,641	128,199
	Over 5 years	24,792	41,341
	Total	462,915	327,450
22	Other liabilities		
	Negative fair value of derivatives	575,063	217,018
	Other liabilities	85,154	153,637
	Total	660,217	370,655

Note	(DKr m)

23 **Subordinated debt**

Subordinated debt consists of liabilities in the form of subordinated loan capital and hybrid core capital, which, in the event of Danske Bank's voluntary or compulsory winding-up, will not be repaid until the claims of ordinary creditors have been met. Hybrid core capital ranks below subordinated loan capital. Early redemption of subordinated debt must be approved by the Danish FSA.

Subordinated debt is included in the capital base in accordance with sections 124, 132 and 136 of the Danish Financial Business Act.

Currency	Principal (millions)	Interest rate	Issued	Maturity	Redemption price	2008 (DKr m)	2007 (DKr m)
Redeemed loans							5,220
EUR	400	5.875	2002	26.03.2015	100	2,981	2,983
EUR	500	5.125	2002	12.11.2012	100	3,725	3,728
EUR	500	4.250	2003	20.06.2016	100	3,725	3,728
NOK	1,770	var.	2003	25.05.2014	100	1,340	1,655
GBP	350	5.375	2003	29.09.2021	100	2,677	3,552
NOK	500	var.	2003	15.02.2014	100	379	468
SEK	750	var.	2004	22.12.2013	100	510	592
EUR	700	4.100	2005	16.03.2018	100	5,216	5,220
EUR	500	var.	2005	09.09.2013	100	3,725	3,728
NOK	535	var.	2005	22.03.2014	100	405	500
EUR	500	6.000	2007	20.03.2016	100	3,725	3,728
EUR	500	5.375	2008	18.08.2014	100	3,725	-
DKK	500	5.500	2008	22.08.2014	100	500	-
Subordinated debt, excluding hybrid core capital						32,633	35,102
Hybrid core capital							
USD	750	5.914	2004	Perpetual	100	3,964	3,806
GBP	150	5.563	2005	Perpetual	100	1,147	1,522
GBP	500	5.684	2006	Perpetual	100	3,824	5,074
EUR	600	4.878	2007	Perpetual	100	4,470	4,474
SEK	1,350	var.	2007	Perpetual	100	919	1,065
SEK	650	5.119	2007	Perpetual	100	442	513
Total hybrid core capital						14,766	16,454
Nominal subordinated debt						47,399	51,556
Hedging of interest rate risk at fair value						2,490	-570
Holding of own bonds						-189	-393
Total subordinated debt						49,700	50,593
Interest on subordinated debt and related items							
Interest						2,115	1,951
Extraordinary repayments						5,220	3,306
Origination and redemption costs						15	35
Amount included in the capital base at December 31						47,175	51,168

Note 33 of the consolidated financial statements contains additional information about subordinated debt and contractual terms.

Note	(DKr m)	2008	2007
24	Assets deposited as collateral		

At the end of 2008, Danske Bank A/S had deposited securities worth DKr269,392m as collateral with Danish and international clearing centres and other institutions. At the end of 2007, the corresponding amount was DKr323,152m.

In connection with repo transactions, which involve selling securities to be repurchased at a later date, the securities remain on the balance sheet, and the amounts received are recognised as deposits. Repo transaction securities are treated as assets provided as collateral for liabilities. Counterparties are entitled to sell the securities or deposit them as collateral for other loans.

	2008	2007
Assets sold in repo transactions		
Bonds at fair value	248,700	291,069
Shares etc.	46	1,356
Total	248,746	292,425
Total collateral deposited for subsidiary undertakings	941	1,356

At the end of 2008, the Bank had received cash and securities worth DKr25,832m as collateral for derivatives transactions (2007: DKr20,936m) and delivered cash and securities worth DKr65,944m (2007: DKr12,324m).

At the end of 2008, the Bank had registered loans and advances worth DKr63,305m and other assets worth DKr1,022m as collateral for covered bonds (2007: DKr7,294m and DKr0m, respectively).

25 Contingent assets

In the autumn of 2008, the Danish National Tax Tribunal substantially found for the Bank in an appeal case involving a claim for repayment of VAT and financial services employer tax in the total amount of DKr0.7bn, including interest. The claim covers the period from 1995 to 2003. As the decision regarding part of the amount was final and conclusive, the Bank recognised an amount of DKr0.4bn as income in 2008, whereas the claim for the remaining DKr0.3bn was brought before the courts.

26 Contingent liabilities

The Bank uses a variety of loan-related financial instruments to meet the financial requirements of its customers. These include loan offers and other credit facilities, guarantees and instruments that are not recognised on the balance sheet.

	2008	2007
Guarantees and other liabilities		
Guarantees etc.		
Financial guarantees	9,102	12,297
Mortgage finance guarantees	47,126	46,013
Registration and remortgaging guarantees	9,978	16,133
Loss guarantee for the Private Contingency Association	6,339	-
Other guarantees	229,746	172,994
Total	302,291	247,437
Other liabilities		
Irrevocable loan commitments shorter than 1 year	50,458	99,615
Irrevocable loan commitments longer than 1 year	99,771	107,717
Other obligations	907	743
Total	151,136	208,075

Owing to its business volume, Danske Bank A/S is continually a party to various lawsuits. In view of its size, the Bank does not expect the outcomes of the cases pending 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.

The Bank manages the joint taxation scheme that covers all the Danish Group companies. The Bank is liable only for tax payable by the Bank itself and for amounts received from subsidiary undertakings in payment of joint corporation tax. The Bank is registered jointly with all significant wholly-owned Danish subsidiaries for financial services employer tax and VAT, for which it is jointly and severally liable.

Note	(DKr m)

26 (cont'd) Together with the majority of Danish banks, Danske Bank is participating in the Danish state guarantee under the Act on Financial Stability adopted by the Danish parliament on October 10, 2008. The scheme runs from October 5, 2008, to September 30, 2010, and includes an unconditional state guarantee for the obligations of Danish banks, except for subordinated debt and covered bonds.

Each bank's share of the state guarantee commission and the commitment to cover losses is calculated on the basis of the part of the bank's capital base that can be allocated to activities covered by the guarantee. Danske Bank's share is expected to be around one third of the total amount, or an annual guarantee commission of around DKr2.5bn over the next two years and a commitment to cover losses of around DKr6bn. Half of the latter amount, DKr3bn, is payable only if the Danish financial sector's need for capital exceeds DKr25bn.

27 Related parties

	Parties with significant influence		Associated undertakings		Group undertakings		Board of Directors		Executive Board	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Loans and irrevocable loan commitments	7,456	7,774	5,201	1,823	78,188	77,610	47	43	5	10
Securities and derivatives	1,268	426	3,782	4,451	216,957	182,083	-	-	-	-
Deposits	3,255	2,124	356	1,315	84,608	78,295	38	31	12	13
Derivatives	495	-	2,173	-	2,665	1,013	-	-	-	-
Issued bonds	-	-	-	-	142,515	80,999	-	-	-	-
Guarantees issued	1,896	1,910	14	16	-	-	-	-	-	-
Collateral and guarantees received	258	302	4,517	1,071	-	-	5	2	4	5
Interest income	106	158	405	61	7,082	5,119	2	2	-	-
Interest expense	115	154	61	16	1,936	1,378	1	1	1	1
Fee income	3	7	1	5	20	17	-	-	-	-
Dividend income	5	4	160	237	7,698	1,546	-	-	-	-
Other income	10	29	-	5	5	-	-	-	-	-

Related parties with significant influence are shareholders with holdings exceeding 20% of Danske Bank A/S's share capital (see the management's report). Notes 22 and 23 of the consolidated financial statements list associated undertakings. The consolidated financial statements specify group holdings under Group holdings and undertakings. The Board of Directors and Executive Board columns list the personal facilities, deposits, etc., held by members of the Board of Directors and the Executive Board and their dependants and facilities with businesses in which these parties have a controlling or significant interest.

In 2008, the average interest rates on credit facilities granted to members of the Board of Directors and the Executive Board were 5.2% (2007: 5.1%) and 5.7% (2007: 4.6%), respectively. Note 9 of the consolidated financial statements specifies the remuneration and shareholdings of the management.

Pension funds set up for the purpose of paying out pension benefits to employees of Danske Bank A/S are also considered related parties. In 2008, transactions with these funds comprised loans and advances worth DKr3m (2007: DKr2m), deposits worth DKr131m (2007: DKr128m), derivatives with a positive fair value of DKr 0m (2007: DKr131m), derivatives with a negative fair value of DK432m (2007: DKr53m), interest expenses of DKr4m (2007: DKr4m) and pension contributions of DKr237m (2007: DKr164m).

Danske Bank A/S acts as the bank of a number of its related parties. Payment services, trading in securities and other instruments, investment and placement of surplus liquidity, and provision of short-term and long-term financing are the primary services provided by Danske Bank A/S. In addition, Danske Bank A/S and group undertakings receive interest on holdings, if any, of listed bonds issued by Realkredit Danmark A/S. Note 20 of the consolidated financial statements specifies the Group's holdings of own mortgage bonds.

Moreover, Danske Bank A/S handles a number of administrative functions, such as IT operations and development, HR management, purchases and marketing activities for group undertakings. The Bank received a total fee of DKr1,240m for services provided in 2008 (2007: DKr1,129m).

The figures above do not include debt to related parties in the form of issued notes. Such notes are bearer securities, which means that the Group does not know the identity of the holders. Danske Bank shares may be registered by name. The management's report lists related parties' holdings of Danske Bank shares (5% or more of the Bank's share capital) on the basis of the most recent reporting of holdings to the Bank.

Transactions with related parties are settled on an arm's-length basis, whereas transactions with group undertakings are settled on a cost-reimbursement basis.

Note	(DKr m)				
28	Hedging of risk				
		2008		2007	
		Carrying amount	Amortised/ notional value	Carrying amount	Amortised/ notional value
	Assets				
	Due from credit institutions	24,412	24,382	10,027	10,032
	Loans and advances	55,856	53,645	57,476	58,248
	Total	80,268	78,027	67,503	68,280
	Financial instruments hedging interest rate risk				
	Derivatives	-1,098	67,099	769	70,870
	Liabilities				
	Deposits	141,134	140,840	144,428	144,440
	Due to credit institutions	380,328	380,117	329,750	329,773
	Issued bonds	526,419	521,997	323,234	323,277
	Subordinated debt	49,973	47,399	50,656	51,098
	Total	1,097,854	1,090,353	848,068	848,588
	Financial instruments hedging interest rate risk				
	Derivatives	9,069	1,032,048	-481	762,968

The consolidated financial statements include additional information about hedge accounting.

(DKr m)	2008	2007	2006	2005	2004
HIGHLIGHTS					
Net interest and fee income	28,507	22,866	18,431	20,461	18,832
Value adjustments	-3,774	2,690	4,164	165	-56
Staff costs and administrative expenses	15,438	14,590	11,297	11,144	11,436
Loan impairment charges etc.	10,265	306	-207	-1,162	602
Income from associated and group undertakings	3,889	7,054	5,571	4,908	4,439
Net profit for the year	-448	14,996	13,960	12,209	8,958
Loans and advances	1,120,719	1,120,373	818,530	641,307	509,061
Shareholders' equity	100,013	106,376	96,509	74,638	67,276
Total assets	2,678,868	2,412,451	1,869,507	1,638,126	1,378,952

RATIOS AND KEY FIGURES	2008	2007	2006	2005	2004
Solvency ratio (%)	15.3	11.9	16.2	15.2	14.6
Core (tier 1) capital ratio (%)	11.1	8.3	12.2	10.7	11.1
Return on equity before tax (%)	-0.9	17.1	20.0	21.8	16.5
Return on equity after tax (%)	-0.4	14.8	16.3	17.2	13.2
Cost/income ratio (DKr)	0.97	2.03	2.35	2.35	1.84
Interest rate risk (%)	2.5	2.1	-0.4	-	0.6
Foreign exchange position (%)	3.3	2.1	0.5	1.6	2.2
Exchange rate risk (%)	0.1	-	-	-	-
Loans and advances plus impairment charges as % of deposits	147.9	139.5	136.8	114.7	105.6
Gearing of loans and advances (%)	11.2	10.5	8.5	8.6	7.6
Growth in loans and advances (%)	-	36.9	27.6	26.0	14.1
Surplus liquidity in relation to statutory liquidity requirement (%)	66.3	88.3	137.0	160.2	184.0
Large exposures as % of capital base	98.2	151.0	151.5	173.8	161.2
Impairment ratio (%)	0.7	-	-	-0.1	-
Earnings per share (DKr)	-6.5	21.8	21.2	18.6	12.9
Book value per share (DKr)	145	155	140	117	100
Proposed dividend per share (DKr)	-	8.50	7.75	10.00	7.85
Share price at December 31/earnings per share (DKr)	-8.0	9.1	11.8	11.9	12.8
Share price at December 31/book value per share (DKr)	0.36	1.29	1.78	1.89	1.67

The ratios are defined in the Danish FSA's executive order on financial reports of credit institutions etc.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board (the management) have today reviewed and approved the annual report of Danske Bank A/S for the financial year 2008.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU, and the financial statements of the Parent Company have been prepared in accordance with the Danish Financial Business Act. Furthermore, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at December 31, 2008, and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year starting on January 1 and ending on December 31, 2008. Moreover, in our opinion, the management's report gives a true and fair view of developments in the Group's and Parent Company's activities and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

The management will submit the annual report to the general meeting for approval.

Copenhagen, February 5, 2009

EXECUTIVE BOARD

Peter Straarup
Chairman

Tonny Thierry Andersen Chief Financial Officer	Sven Lystbæk Member of the Executive Board	Per Skovhus Member of the Executive Board

BOARD OF DIRECTORS

Alf Duch-Pedersen Chairman	Eivind Kolding Vice Chairman	Henning Christophersen
Peter Højland	Mats Jansson	Niels Chr. Nielsen
Sten Scheibye	Majken Schultz	Claus Vastrup
Birgit Aagaard-Svendsen	Helle Brøndum	Charlotte Hoffmann
Per Alling Toubro	Verner Usbeck	Solveig Ørteby

AUDIT REPORTS

INTERNAL AUDIT'S REPORT

We have audited the annual report of Danske Bank A/S for the financial year 2008, which comprises the management's report, income statement, balance sheet, statement of capital, cash flow statement, notes and the statement by the management. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and the financial statements of the Parent Company have been prepared in accordance with the Danish Financial Business Act. Furthermore, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Basis of opinion

We conducted our audit in accordance with the executive order of the Danish Financial Supervisory Authority on auditing financial enterprises and financial groups and in accordance with Danish auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free from material misstatement. The audit comprised all significant areas and risk areas and was conducted in accordance with the division of duties agreed with the external auditors, enabling the external auditors to the widest possible extent to base their audit on the work performed by the internal auditors.

We planned and conducted our audit such that we have assessed the business and internal control procedures, including the risk and capital management implemented by the management, aimed at the Group's and the Parent Company's reporting processes and major business risks.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the business procedures and internal control procedures, including the risk and capital management implemented by the management, aimed at the Group's and the Parent Company's reporting processes and major business risks work satisfactorily.

Furthermore, we believe that the annual report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at December 31, 2008, and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the year in accordance with the International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements, in accordance with the Danish Financial Business Act in respect of the Parent Company's financial statements and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Copenhagen, February 5, 2009

Jens Peter Thomassen
Group Chief Auditor

Niels Thor Mikkelsen
Deputy Group Chief Auditor

INDEPENDENT AUDITORS' REPORT

To the shareholders of Danske Bank A/S

We have audited the annual report of Danske Bank A/S for the financial year 2008, which comprises the management's report, income statement, balance sheet, statement of capital, cash flow statement, notes and the statement by the management. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU, and the financial statements of the Parent Company have been prepared in accordance with the Danish Financial Business Act. Furthermore, the annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Management's responsibility for the annual report

Management is responsible for preparing and presenting an annual report that gives a true and fair view in accordance with the International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements and in accordance with the Danish Financial Business Act in respect of the Parent Company's financial statements and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at December 31, 2008, and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the year in accordance with the International Financial Reporting Standards as adopted by the EU in respect of the consolidated financial statements, in accordance with the Danish Financial Business Act in respect of the Parent Company's financial statements and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Copenhagen, February 5, 2009
KPMG
Statsautoriseret Revisionspartnerselskab

Per Gunslev   Lars Rhod Søndergaard
State Authorised Public Accountants

Copenhagen, February 5, 2009
Grant Thornton
Statsautoriseret Revisionsaktieselskab

Erik Stener Jørgensen   Ole Fabricius
State Authorised Public Accountants

MANAGEMENT AND DIRECTORSHIPS – BOARD OF DIRECTORS

ALF DUCH-PEDERSEN
Born on August 15, 1946.
Joined the Board on March 23, 1999.
Most recently re-elected in 2008.

Member of the Credit Committee, the Salary and Bonus Committee, the Nomination Committee and the Audit Committee

Directorships:
The Denmark-America Foundation
The Confederation of Danish Industries
Group 4 Securicor plc. (Chairman)

EIVIND KOLDING
Partner of the firm A.P. Møller
CEO of E. Kolding Shipping ApS
Born on November 16, 1959.
Joined the Board on March 27, 2001.
Most recently re-elected in 2007.

Member of the Credit Committee, the Salary and Bonus Committee and the Nomination Committee

Directorships:
APM Global Logistics A/S (Chairman)
Maersk Inc.
Maersk China Limited
Safmarine Container Lines N.V. (Chairman)

HENNING CHRISTOPHERSEN
Partner at Kreab Brussels and Epsilon s.p.r.l.
Born on November 8, 1939.
Joined the Board on March 26, 1996.
Most recently re-elected in 2008.

Member of the Credit Committee

Directorships:
European Institute of Public Administration (Chairman)
Metroselskabet I/S (Chairman)
Rockwool-Fonden

PETER HØJLAND
Born on July 9, 1950.
Joined the Board on November 30, 2000.
Most recently re-elected in 2007.

Member of the Credit Committee

Directorships:
Amrop-Hever A/S (Chairman)
Bikuben fondene (Chairman)
Copenhagen Capacity, Fonden til Markedsføring og Erhvervsfremme i Hovedstadsregionen (Chairman)
Danisco A/S
The Denmark-America Foundation
Frederiksbergfonden
Ituri Management ApS (Chairman)
Rambøll Gruppen A/S (Chairman)
Siemens A/S (Chairman)

MATS JANSSON
CEO of SAS AB
Born on December 17, 1951.
Joined the Board on March 4, 2008.

Directorships:
SAS Danmark A/S (Chairman)
Indutrade AB

NIELS CHR. NIELSEN
Professor of Economics
at Copenhagen Business School
Born on January 14, 1942.
Joined the Board on April 5, 1990.
Most recently re-elected in 2007.

Member of the Credit Committee

Directorships:
COWIfonden
Grundfos A/S
Grundfos Finance A/S
Grundfos Management A/S
The Oticon Foundation, William Demants og Hustru Ida Emilies Fond
Otto Mønsted Aktieselskab
The Poul Due Jensen Foundation

STEN SCHEIBYE
Born on October 3, 1951.
Joined the Board on March 31, 1998.
Most recently re-elected in 2008.

Member of the Audit Committee

Directorships:
The Danish Academy of Technical Sciences
DADES A/S
The Denmark-America Foundation (Chairman)
The Technical University of Denmark (Chairman)
The Fulbright Commission in Denmark
Industriens Realkreditfond
Novo Nordisk A/S (Chairman)
Aase og Ejnar Danielsens Fond
Adjunct Professor of Applied Chemistry
at University of Aarhus

MAJKEN SCHULTZ
Professor of Organization
at Copenhagen Business School
CEO of Vci Holding ApS
Born on October 28, 1958.
Joined the Board on November 30, 2000.
Most recently re-elected in 2007.

Member of the Nomination Committee

Directorships:
Børnehjertefonden (Vice Chairman)
COWI A/S
Dansk selskab for virksomhedsledelse
Realdania
Member of the Executive Committee
of Reputation Institute

CLAUS VASTRUP
Professor of Economics at University of Aarhus
Born on March 24, 1942.
Appointed by the Minister of Economic Affairs from January 1, 1995, to December 31, 2002. Elected by the general meeting on March 25, 2003.
Most recently re-elected in 2008.

Member of the Audit Committee

Directorships:
Aarhus Universitets Jubilæumsfond

BIRGIT AAGAARD-SVENDSEN
Executive Vice President and CFO
of J. Lauritzen A/S
CEO of Landlov ApS
Born on February 29, 1956.
Joined the Board on March 28, 1995.
Most recently re-elected in 2008.

Member of the Audit Committee

Directorships:
Handyventure Singapore Pte. (Chairman)
Metroselskabet I/S
The Council of Det Norske Veritas
Eight Danish subsidiaries of J. Lauritzen A/S

MANAGEMENT AND DIRECTORSHIPS – BOARD OF DIRECTORS

HELLE BRØNDUM
Bank Clerk of Danske Bank A/S
Born on September 26, 1952.
Joined the Board on March 19, 2002.
Most recently re-elected in 2006.

Directorships:
Danske Kreds

CHARLOTTE HOFFMANN
Personal Customer Adviser of Danske Bank A/S
Born on October 8, 1966.
Joined the Board on March 14, 2006.

PER ALLING TOUBRO
Chairman of Danske Kreds,
Danske Bank A/S
Born on June 25, 1953.
Joined the Board on March 14, 2006.

Directorships:
Danske Kreds (Chairman)

VERNER USBECK
Assistant Vice President of Danske Bank A/S
Born on February 11, 1950.
Joined the Board on June 28, 1990.
Most recently re-elected in 2006.

Directorships:
Danske Kreds
Danske Funktionærers Boligselskab S.m.b.A.
(Vice Chairman)
Niels Brocks Styrelse

SOLVEIG ØRTEBY
Vice Chairman of Danske Kreds, Danske Bank A/S
Born on March 28, 1965.
Joined the Board on November 30, 2000.
Most recently re-elected in 2006.

Directorships:
Danske Kreds (Vice Chairman)

MANAGEMENT AND DIRECTORSHIPS – EXECUTIVE BOARD

PETER STRAARUP
Chairman of the Executive Board
Born on July 19, 1951.
Joined the Board on September 1, 1986.

Directorships:
DDB Invest AB (Chairman)
Forsikringsselskabet Danica, Skadeforsikrings-aktieselskab af 1999 (Chairman)
Danica Pension, Livsforsikringsaktieselskab (Chairman)
Danica Liv III, Livsforsikringsaktieselskab (Chairman)
Danica Pension I, Livsforsikringsaktieselskab (Chairman)
Northern Bank Limited (Chairman)
Sampo Pankki Oyj (Chairman)
Other major offices (non-exhaustive list):
The Denmark-America Foundation
The International Monetary Conference
Institut International d'Etudes Bancaires

TONNY THIERRY ANDERSEN
Chief Financial Officer
Born on September 30, 1964.
Joined the Board on September 1, 2006.

Directorships:
Forsikringsselskabet Danica, Skadeforsikrings-aktieselskab af 1999
Danica Pension, Livsforsikringsaktieselskab
Danica Liv III, Livsforsikringsaktieselskab
Danica Pension I, Livsforsikringsaktieselskab
Realkredit Danmark A/S
Sampo Pankki Oyj

SVEN LYSTBÆK
Member of the Executive Board
Born on September 26, 1951.
Joined the Board on September 1, 2006.

Directorships:
Multidata Holding A/S (Vice Chairman)
Multidata A/S (Vice Chairman)
PBS Holding A/S (Vice Chairman)
PBS A/S (Vice Chairman)
Værdipapircentralen A/S (Chairman)
Visa Europe Limited
Danske Bank International S.A.
Forsikringsselskabet Danica, Skadeforsikrings-aktieselskab af 1999 (Vice Chairman)
Danica Pension, Livsforsikringsaktieselskab (Vice Chairman)
Danica Liv III, Livsforsikringsaktieselskab (Vice Chairman)
Danica Pension I, Livsforsikringsaktieselskab (Vice Chairman)
Kreditforeningen Danmarks Pensionsafviklingskasse (Chairman)
Realkredit Danmark A/S (Chairman)
Sampo Pankki Oyj (Vice Chairman)

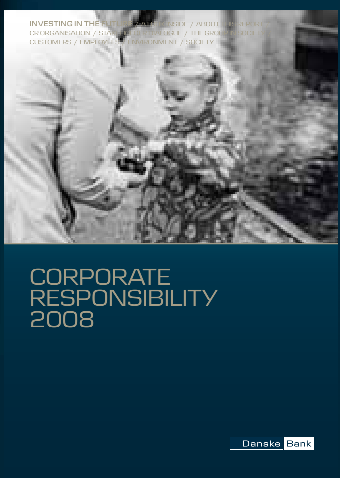
PER SKOVHUS
Member of the Executive Board
Born on September 17, 1959.
Joined the Board on September 1, 2006.

Directorships:
Danmarks Skibskredit A/S (Chairman)
Realkredit Danmark A/S
Other major offices:
Danish Bankers Association (Vice Chairman)
ICC Danmark (Director)

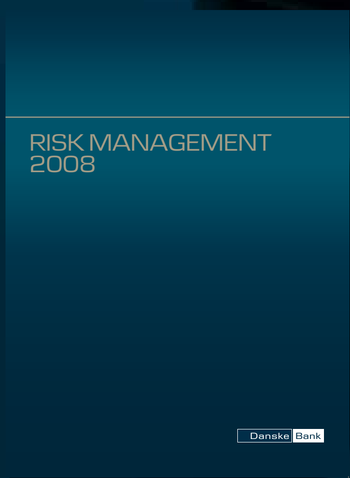
FINANCIAL CALENDAR

- Annual general meeting: March 4, 2009
- Interim Report – First Quarter 2009: May 5, 2009
- Interim Report – First Half 2009: August 11, 2009
- Interim Report – First Nine Months 2009: November 3, 2009

THE DANSKE BANK GROUP HAS ALSO PUBLISHED THE FOLLOWING PUBLICATIONS, WHICH ARE AVAILABLE AT WWW.DANSKEBANK.COM/IR:



Corporate Responsibility 2008



Risk Management 2008

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