

Sections 1 to 7 were prepared in accordance with internal risk management principles and on the basis of the information included in Annual Report 2007.

Risk data are based on the definition of the Group used in the Annual Report. This definition complies with the IFRSs. According to the IFRSs, Danske Bank A/S's subsidiaries are the companies in which it has direct or indirect control over financial and operating policy decisions.

Group solvency, on the other hand, encompasses the Danske Bank Group as defined in accordance with the Danish Financial Business Act, that is, Danske Bank A/S and its subsidiary undertakings (other than insurance companies) in which the Group:

- holds a majority of the voting rights
- is a participant and is entitled to appoint or remove a majority of the members of the board of directors, executive board or similar governing body
- is entitled to exercise a controlling influence under the undertaking's articles of association or agreements with the undertaking
- commands a majority of the voting rights under agreements with other participants
- holds equity investments and exercises a controlling influence

The term "participant" refers to shareholders or owners of other shares of the equity of an undertaking.

In accordance with accounting principles, a parent company does not need to have equity holdings or possess formal voting rights in a company for the latter to be a subsidiary.

The table on the next page shows the differences between the two consolidation principles.

	Solvency calculations				Consolidation of accounts	
	Consolidation Full	Pro rata	Deduction	Risk-weighted	Full	Ass. undertakings
Danske Bank A/S, Copenhagen						
Credit institutions						
Realkredit Danmark A/S, Copenhagen	√				√	
Sampo Bank plc, Helsinki	√				√	
Sampo Housing Loan Bank plc, Helsinki	√				√	
Northern Bank Limited, Belfast	√				√	
Danske Bank International S.A., Luxembourg	√				√	
AB Sampo Pank, Tallinn	√				√	
AS Sampo Bankas, Vilnius	√				√	
AS Sampo Banka, Riga	√				√	
Danmarks Skibskredit A/S		√				√
LR Realkredit A/S		√				√
Insurance operations						
Forsikringselskabet Danica, Skadeforsikringsaktieselskab af 1999, Copenhagen			√		√	
Danica Pension, Livsforsikringsaktieselskab, Copenhagen			√		√	
Danica Pension I, Livsforsikrings aktieselskab, Copenhagen			√		√	
Danica III, Livsforsikringsaktieselskab, Copenhagen			√		√	
Danica Pension Försäkringsaktiebolag, Stockholm			√		√	
Danica Pensjonsforsikring AS, Trondheim			√		√	
Danica Life Ltd., Dublin			√		√	
Investment and real property operations, etc.						
Danske Capital Norge AS, Trondheim	√				√	
Danske Capital Sverige AB, Linköping	√				√	
Danske Corporation, Delaware	√				√	
Danske Fund plc, Dublin	√				√	
Danske Markets Inc., Delaware	√				√	
Danske Private Equity A/S, Copenhagen	√				√	
National Irish Asset Finance Ltd., Dublin	√				√	
Nordania Finans A/S, Birkerød	√				√	
Fokus Krogsveen Nylander AS, Trondheim	√				√	
home a/s, Åbyhøj	√				√	
Danica ButiksCenter A/S, Copenhagen	√				√	
Danica Ejendomsselskab ApS, Copenhagen	√				√	
Ejendomsaktieselskabet Virum-Vang, Copenhagen	√				√	
KHB VI A/S, Copenhagen	√				√	
Medicon Valley Capital I K/S, Copenhagen	√				√	
Medicon Valley Capital II K/S, Copenhagen	√				√	
Other operations						
Polonius Inc., London				√	√	
Polonius Ltd., London				√	√	

In its solvency calculations, the Group consolidates Danmarks Skibskredit A/S and LR Realkredit A/S on a pro rata basis, while, for accounting purposes and in risk reporting, it treats the two companies as associated undertakings, that is, in accordance with the equity method. Danske Bank Group has holdings of 24% and 31%, respectively, in the two companies.

Danmarks Skibskredit A/S offers shipowners and other shipping companies loans secured by mortgages on the vessels. As of mid-2007, the company had total assets of Dkr64.5bn and risk-weighted assets worth Dkr54.5bn. LR Realkredit A/S provides mortgage loans primarily for subsidised housing and other subsidised properties. At the end of 2006, the company had total assets of Dkr9.8bn and risk-weighted assets worth Dkr6.4bn.

The Group does not consolidate its insurance companies in its solvency calculations. The capital base is reduced by Danica's capital requirements less the difference between the capital base and the carrying amount of the holdings. Danica is consolidated in the accounts of Danske Bank Group and its risk management is described in separate sections of the risk statements. In accordance with the Danish executive order on the contribution principle, Danica Pension has notified the Danish FSA of its profit policy. According to the contribution principle and the profit policy, policyholders both receive the return on allocated assets and take on the associated risk. Assets are allocated to policyholders to ensure customers' guaranteed benefits. The various types of risk that Danica has taken on as an integral part of its activities and that affect assets and liabilities allocated to policyholders are presented in section 7.3 Insurance risk.

Restrictions on dividend payments from subsidiaries

All credit institutions and insurance operations under supervision by national FSAs are subject to local statutory provisions on the required capital base. These provisions restrict dividend payout.

Forsikringselskabet 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 has an obligation to allocate part of the excess equity to certain policyholders of Statsanstalten for Livsforsikring (now part of Danica Pension) if the percentage by which the equity exceeds the statutory solvency requirement is higher than the percentage maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990. In addition, it is the intention not to distribute dividends for a period of at least 25 years from 1990. Paid-up capital and interest thereon may, however, be distributed.