

## No more bankers' hours

Sweden's new product fits customer lifestyles - and gives staff flexible workdays  
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Part-time football trainer, part-time Danske manager

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Online



## The banking business has changed, too

When I started my career, there was only one way to be a retail customer at a bank. You would go to a branch during banking hours, in my branch 9:30-12:30 and then 2pm-4pm, and either make transactions with a cashier or sit across the desk from an adviser, discussing a loan. All customers were handled the same way, and banks never approached customers. They came to us.

We work in a highly competitive landscape now, and our present-day customers have made it clear that they want more from us. They may not have time in the middle of a busy workday to come visit us in a branch: they want us to meet them on their terms. They are price sensitive and demand top-level service. And they expect us to approach them with ways to improve their financial standing.

This is why we are in the midst of a great re-segmentation and re-alignment of our retail customers. We want to make sure that they are getting high-quality services at the level they require.

Customers with simple needs are likely to be just as satisfied with online or phone options, and we can provide these more cheaply than our traditional branch ser-

vices. Those with more complex needs may prefer, and be willing to pay for, the more in-depth advice we provide in a face-to-face setting.

We are re-segmenting on the corporate side as well, where the smallest businesses have proven to be very satisfied with centralised phone services staffed with specialised advisers. We are moving many business customers between branches and finance centres and Corporate and Institutional Banking, always with the goal of giving them attention from the best qualified bank staff.

But the real re-alignment is in our attitudes, in our understanding that customer needs are what drives our business, and that we must adapt to meet them. We can no longer work in the same old way just because it is most convenient for us, or because that's how we've always done it.

Branches are still an important part of our business, yet as technology and our marketplace evolves, they are only one colour in an ever-widening palette of ways we can serve our customers.

Peter Straarup

# No more bankers' hours

Danske Direkt, Sweden's version of 24/7, offers great service to customers and flexible workdays for advisers **Page 8-11**



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<b>INCOME STATEMENT</b>			
Net interest income	14,134	12,901	1
Net income	3,683	4,271	1
Trading income	1,508	1,968	1
Net income	501	937	1
Net income from insurance business	32,293	21,881	1
Net income	15,385	12,333	1
Operating expenses	18,898	4,886	1
Profit before loan impairment charges	14,531	1,114	1
Loan impairment charges	2,947	1,114	1
Profit before tax	1,620	5,897	1



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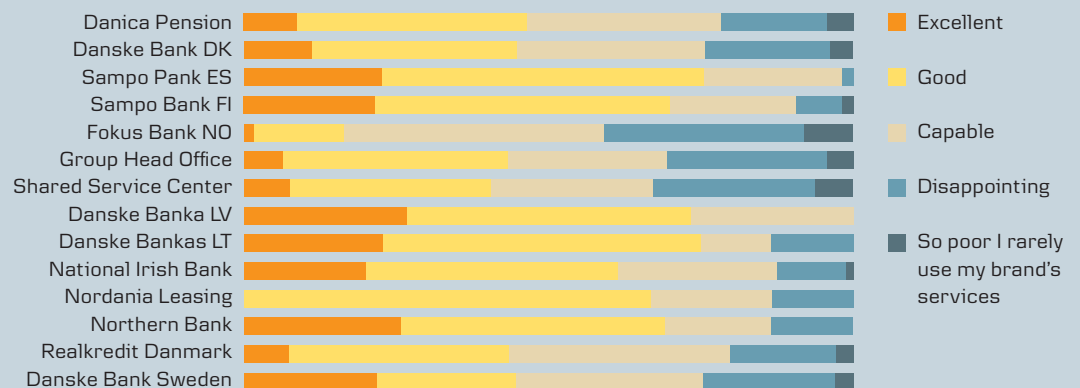


**On the cover:** Kristin Marcusson, 38, has 10 years' experience as a branch adviser and now works at Danske Direkt in Linköping, Sweden. She says she likes the flexible hours – “you can go to the dentist if you need to” – and the fact that she can wear jeans to work.

## The Portal Poll

Read more of what employees say about service from their own brands on pages 4-5.

### Are you a satisfied customer of your local retail bank brand?



The poll was conducted during July 2009 on all of the Group's portals.

# When the customers are our colleagues

How good is the service we give our own staff? The majority of Group employees are satisfied with the service from their local retail bank brand. But one out of five says it's disappointing, or so poor that they rarely use our services.

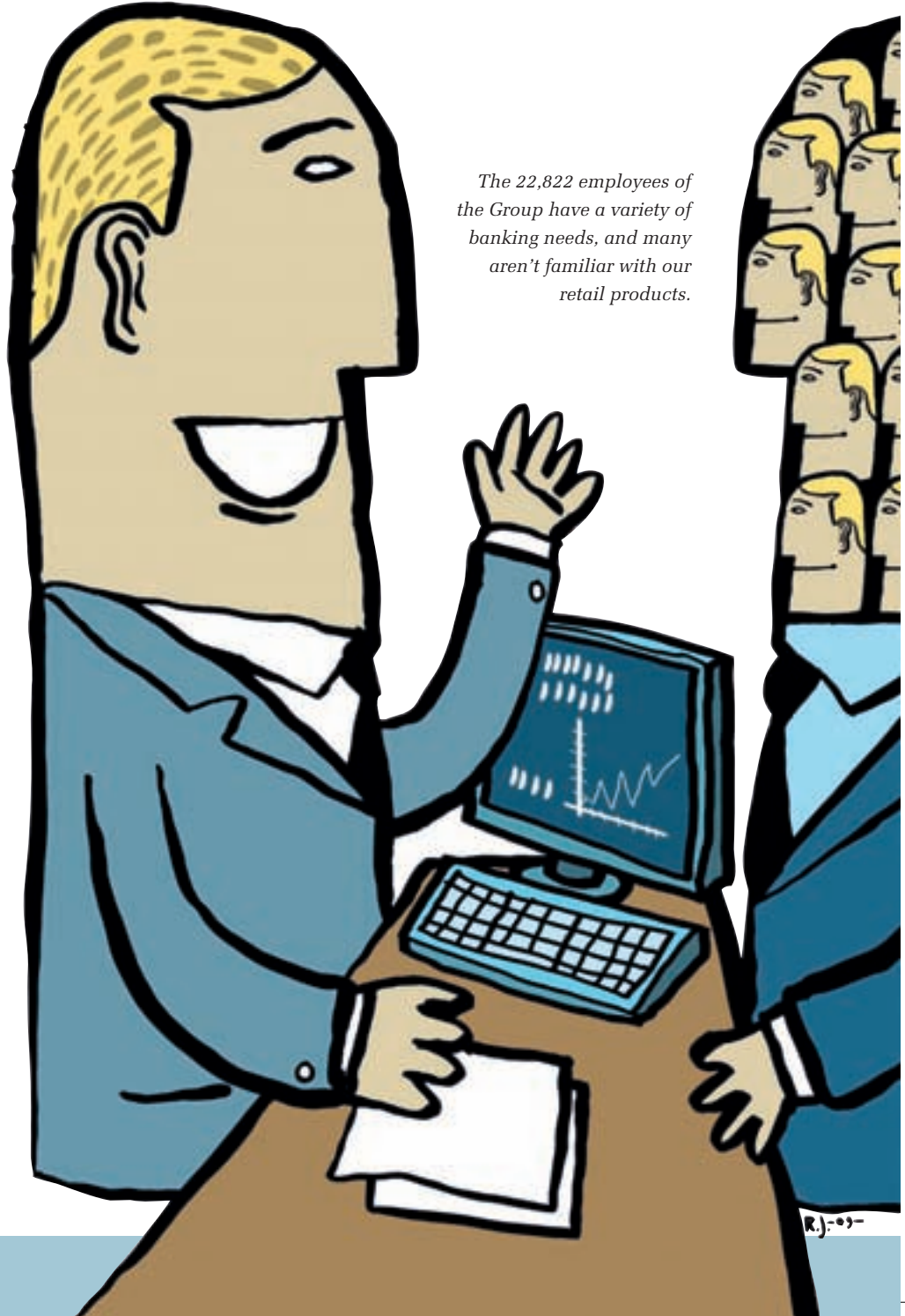
Would a vegetarian be a good butcher? Could be, but it's tough to sell a product you don't believe in.

A new Danske Magazine portal poll shows that while 54% of staff say the Group's bank brands provide "good" or "excellent" service with regard to their own personal finances, 27% say the service is merely capable, and 19% call it disappointing or poor.

## The good, the bad, and the awful

To be sure, many employees are very happy with the service they get from the Group's brands. "I always get a quick and constructive response," says cash manager Jakob Nordahl Weber of Danske Bank, Danmark. "My advisor takes time to help me even when I can see she's very busy." Anneli Koolmann, a private banker, was thankful for a bit of proactivity on the part of Sampo Pank Estonia. "It was very pleasant when Contact Center informed me my savings deposit standing order was about to expire. I had forgotten that."

But there are also some employees who are openly critical of their brands' performance as a financial partner. Piia Pauliina Hippeläinen, a retail adviser at Sampo Bank Finland, says branch personnel don't always realize that the many



The 22,822 employees of the Group have a variety of banking needs, and many aren't familiar with our retail products.

## Facts about the Danske Magazine portal poll

The poll was published on 14 brand portals at the beginning of July, and a total of 2123 employees responded. The employees were asked to rate the level of service at their local retail bank brand when it came to their own personal finances. They were also asked when they had last contacted one of their banking brand's advisers, and when was the last time an adviser had contacted them.

non-branch employees need their financial expertise. **"It is easy for personnel in the branches to take care of their errands but there are a lot of staff who are not in branches,"** she says.

**"Many employees' banking needs are not taken care of. In Finland, some don't even have an account with us."**

Some brands, including all of those in Denmark, require employees to have an account with their local retail bank. But Jesper Nielsen, Senior Vice President at Group Business Development, says the goal is to have staff do business with the bank because they want to.

**"It is absolutely not OK that 19% of our employees are dissatisfied with the service they get from their Danske brand,"** he says. **"Employees are the Group's ambassadors."**

### Is anybody out there?

Almost uniformly across brands, staff felt a lack of proactivity from their adviser. While 20% of all staff said they had contacted their adviser within the past year, 89% said their adviser had not proactively contacted them. And 44% said they had actually never been contacted by an adviser from their brand.

**"A more proactive adviser would definitely get me to use more of the bank's products, and make me feel I am getting better service,"** says Majbrit Fønnesbæk Hansen, an IT developer at the Shared Service Center.

But other employees aren't interested. **"I don't feel I need an adviser for my personal finances. I can manage everything by myself,"** says Ilze Kucina, a branch adviser from Danske Banka Latvia.

Employees who don't work with retail products appear most interested in proactive contact, the survey suggests, and they are also much less satisfied with the service they get now.

While about 15% of all respondents called their brands' service disappointing, and 4% called it so poor that they rarely used their brand's services, those scores were higher at the Shared Service Centre (27%, 6%) and Head Office (26%, 4.5%).

### What should staff expect?

What, in fact, should staff customers expect from their Danske brand? There's no official policy. Jesper

Nielsen believes that all staff should be doing basic transactions online, and using the customer line as much as possible.

But when it comes to advice for their families, he says, staff are always welcome to make an appointment with an adviser.

Whenever employees do business with the bank, Nielsen says they should be able to expect excellence - and so should the rest of our customers.

**"Improving customer satisfaction for everybody remains a top priority for the Group,"** he says.

**"We want our employees to be able to recommend the bank with confidence - and not just because they work here."**



### Read more at Danske Magazine online

- Why Sampo Pank Estonia has the most satisfied employee customers
- Why Fokus Bank has the least happy employee customers
- More employee comments from the Danske Magazine poll

Go to the Sites tab on the portal and type "Danske Magazine Online"



## Part time football trainer, part time Danske manager

When Denmark's Lyngby FC team - a two-time national champion - needed a head trainer, Niels Frederiksen was an obvious candidate. Frederiksen was already the trainer for the team's well-regarded Under-19 program. But he also holds a vice president's job at the Danske Bank Group. Would he have to give up one job to focus on the other?

Danske agreed to be flexible, creating a plan that allowed Frederiksen to temporarily work as a trainer while maintaining his role as head of HR performance management.

"The Group was very willing to work with me. It wouldn't have been possible to carry out my head trainer duties otherwise," Frederiksen says. "Danske gave me the opportunity to work different hours, and there was nothing I

was supposed to do that didn't get done."

### Strategy and teambuilding

Frederiksen says the two jobs offer lessons for each other. "Structure and a strategic way of thinking are some of the things I've taken with me from Danske to the football pitch," he says. "But from football, I've gotten a good instinct for teambuilding, which has served me well in my job at the Group."

Even though it can be demanding to dribble between two jobs, Frederiksen says he has no trouble keeping a firm line between them.

"When I'm on the training pitch, I forget everything else. It is incredibly intense and competitive. So is working at the bank, but my job as a trainer is like having to deliver a quarterly report every weekend."



## Via webcam, Danes speak out about Danske and t

When Danes got angry at the bank sector, they got angry at Danske Bank. As the market leader, Danske became the proxy for the financial crisis. The bank took a serious beating in local business image rankings.

Danske Bank DK head Henrik Normann's solution: let them get it off their chests. Casting aside the bank's usual careful, controlled communication style, Normann and a communications team put together the "Your Opinion" campaign.

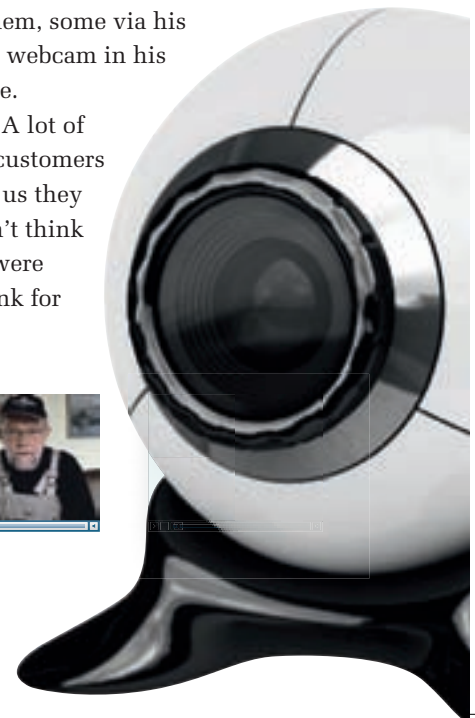
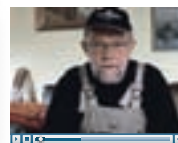
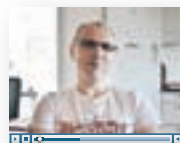
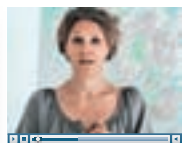
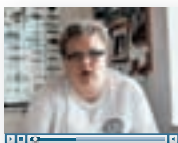
First, a pair of Danish documen-

tary filmmakers criss-crossed the country, loaning out webcams for 24 hours to anyone who felt they had something to say to the bank, positive or negative. The recipients recorded with the webcams in their own homes, and some of the 400 videos collected - from small businesspeople, tradesmen, students and pensioners - were then used on television in a nationwide ad campaign.

The campaign directed Danes to a "Your Opinion" website, where they could post their own thoughts

about the finance crisis and how banks had handled it. More than 100,000 unique visitors left more than 3000 comments, and Normann responded to several dozen of them, some via his own webcam in his office.

"A lot of the customers told us they didn't think we were a bank for



## Private Banking: great concept, lousy timing

### THINGS WE'RE STILL WORKING ON

In shimmering silver and black, the Group's Private Banking page may be one of the financial sector's best-looking websites. Adapted with only small changes for use in Denmark and Finland – the first time a Group marketing campaign has been used across borders – it offers visitors pretty videos about families that use private banking, plus an easy online test to see if the service matches their needs. More than 70,000 unique users have visited the site, and an estimated 30% of them have taken the test.

But the timing of the Group's new Private Banking Concept has been unlucky. It launched in Denmark in November 2008, just as the financial crisis was reaching its peak, and in Finland in April 2009, right after that country officially acknowledged a recession. Roll-outs in Sweden and Norway are still in progress, but the

project has been put on ice in Ireland and the Baltics. "Due to the financial crisis we have almost halved the expected number of new customers, and expectations of the profitability of private banking customers have also been lowered for the coming years," says Anne Buchardt, the Group's head of private banking.

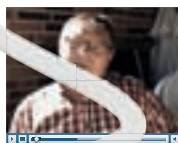
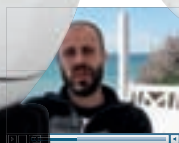
On the other hand, the crisis has shaken many private banking start-ups out of the market. And the Group continues to train private bankers through a specially-designed Danske University course. "We are still dealing with a profitable customer segment," Buchardt notes. "Success in this area will add substantially to our earnings."



## the crisis

the ordinary person, and that's one of the myths we want to get rid of," says Normann. "We can see from the comments that they think there is a distance between us and them.

Now it's our job to take their input and do something with it."



Danske Bank Group has been added to FTSE4Good, an index measuring the performance of companies with strong corporate responsibility standards.

"One could argue that the financial crisis and climate change are not entirely separate processes."

– Pasi Kuoppamäki, Senior Economist, Sampo Bank Finland.



Read the rest of Pasi's argument on our new analyst blog at Danske Magazine Online. Go to the Sites tab on the portal and type in "Danske Magazine Online".



Adviser Ann Norrsell  
says services like  
Danske Direkt are  
“the future.”







SWEDEN PUTS ITS OWN SPIN ON 24/7

# Flexible banking hours

**Danske Direkt customers get financial advice evenings and weekends – but they never enter a branch.**

In a residential neighbourhood in Linköping, about 90 minutes from Stockholm, five women are working on what may be the cutting edge of retail customer service in the Danske Bank Group.

They are the team assigned to Danske Direkt, a new banking product which provides advisory services via booked telephone meetings. Customers can book a meeting for anytime between

8:30am-9pm Monday-Thursday, 8:30-6pm Fridays and Saturdays and 10am-9pm Sundays.

Since everyone on the team has at least six years of branch experience and MiFid 4 clearance, they can advise on investments, mortgages, and other complex products. Transactions take place via netbank.

The annual fee for the account is 0 Swedish kroner. ▶

## The evolution of a product

24/7 was introduced in Denmark in spring 2007, part of a drive to get Danish customers to do more transactions online. The product has since been introduced in five of the Group's nine retail brands and improved each time it is launched in a new market, as well as adapted for local conditions.

### Denmark

24/7- Introduced May 2007

**Successes:** 24/7 was an immediate success, with 47,000 packages sold in three months. It helped change Danske's image as a high-fee bank.

**Challenges:** Since applications were done on paper, the back office was quickly overwhelmed. To some extent, the product cannibalized the existing customer base.

### Norway

24/7- Introduced April 2008

**Successes:** The product was a market-leader in Norway, profiling the country's third-largest brand as an innovator. Avoided Denmark's paper processing headaches with online-only applications.

**Challenges:** Getting 24/7 users to be active customers, and moving them out of the core and service levels into Plus status, with wider product usage.



- ▶ Danske Direkt customers get high-quality, fee-free service – as long as they never set foot in a branch.

#### Increasing customer base

Never having to go to a branch has actually been used as a selling point for the product, which was introduced in May and is on target to reach 5,000 customers before year end. So far, 55% of them are new to the bank.

“Sweden is a big country, very spread-out, and many potential

customers weren't geographically close to one of our branches,” says Lars Sjögren, head of Business Development at Danske Bank Sweden. “Danske Direkt is allowing us to increase our customer base without increasing our branch network.”

The brand has launched its largest media campaign ever to support the product, and the first one to use the Danske name, since Sweden has traditionally used a palette of smaller, local brand names. TV commercials and newspaper advertisements lead potential customers to an online quiz, where they are asked questions like “How many times in the past year have you been at a branch?” and “Would you prefer to do your banking before 5pm, or after 5pm and on weekends?”

Customers who say they want branch service traditional opening hours are directed to the brand's

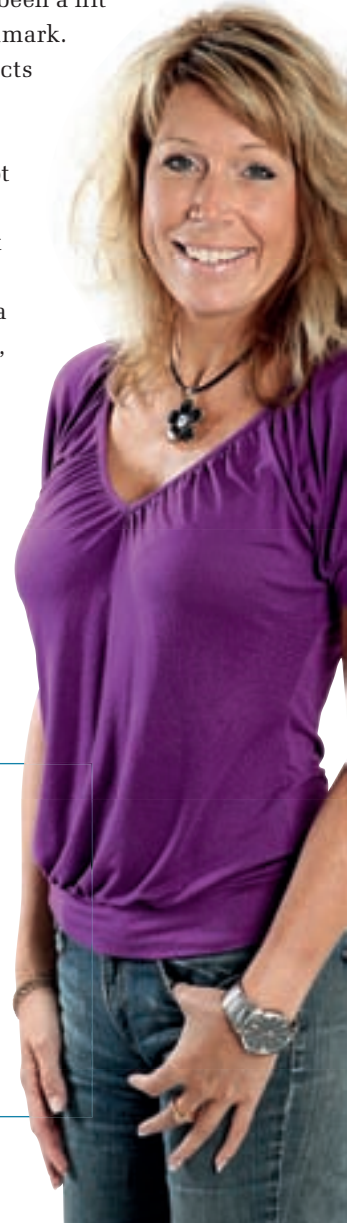
newly renamed Danske Plus, which has a yearly fee of EUR47. But if they prefer time flexibility and never go to a branch anyway, they are prompted to apply for Danske Direkt.

#### Convenience is the driver

Danske Direkt is not an entirely new product. It is based on 24-7, which has already been a hit in Norway and Denmark.

But those products were marketed on their low-fee structure: fees were a hot topic in Denmark when 24/7 was first introduced.

Fees are less of a concern in Sweden, so convenience has been the driver. Customers can sign up online and identify themselves at the local post office outlet, often located in a supermarket



#### Small businesses already get advice by telephone

Advisory services via telephone is old news for small businesses in Norway, which have been using “Fokus Business” since December 2006. More than 4,000 small businesses get their advisory services from a special telephone team in Trondheim. Now the concept is being introduced in Denmark, where it goes under the name “24/7 Business”, in Ireland as “Business Direct”, and in Sweden, where it's called “Business Customer Center.” The goal of the concept: get small business customers out of the branches, where they take up a large amount of staff time at relatively low return. The telephone team is available for longer hours and its advisers are constantly updated on small business tax and accounting issues, so customers also benefit.

### Sweden

Danske Direkt- Introduced May 2009

**Successes:** Launched the Danske name in Sweden, where branches carry 16 local brand names. 55% of customers are new, many living in areas outside the branch network.

**Challenges:** The automated approval process created too many rejections, which were sent by email, providing no way to follow up with alternate product suggestions.

### Northern Ireland and Ireland

24/7- Introduced June 2009

Northern Bank's marketing for 24/7 kicks off this autumn, but its online eSaver product has already been a hit with limited promotion. Since most local banking is fee-free, Northern is highlighting the ease of online transactions. In a nod to the local fondness for cash, Northern 24/7 allows for free cash withdrawals at post offices.

Due to credit concerns, National Irish Bank is offering 24/7 only to existing customers, although it is marketing eSaver externally.

## VIDEO REPORTS AVAILABLE AT DANSKE MAGAZINE ONLINE



Danske Direkt takes telephone banking a step further, by involving the Internet in our interaction with clients. After they schedule an appointment with an adviser, customers fill out an online form detailing their financial status and what they want to talk about. That way suggested solutions can be prepared in advance.

When the phone meeting begins, customers also log on to their netbank, where they are greeted with a welcome screen featuring a photo of the adviser they are speaking to. Their answers on the online form serve as an agenda for the carefully structured meeting. Afterwards, the adviser sends the customer a "Money Plan," to sum up their financial future.



Marie Kamlind has been a retail adviser for 11 years, and joined the Danske Direkt team this spring. The flexible hours allow her to work full-time but only four days a week, and she says she likes the increased focus and efficiency of telephone meetings. "You don't have to get the customer coffee," she notes. Kamlind enjoys working evening hours, since it leaves her mornings free. "Today before I came to work I went to the gym, went shopping, took a walk. It's nice," she says.

There are currently 5 advisers working on the Danske Direkt team - all female, as retail advisers in Sweden traditionally are - and the number is scheduled to grow to 8 by the end of 2009.

TO SEE THE VIDEOS AND ENJOY OUR OTHER ONLINE FEATURES, GO TO THE SITES TAB ON THE PORTAL AND TYPE "DANSKE MAGAZINE ONLINE".

or petrol station. (Danske Bank Sweden pays the post office EUR15 for this service)

If the customer is approved - a credit check is necessary, since cards are part of the package - they are given access to eBanking, where they can book an adviser meeting.

The only problem so far is that

the product is too popular, with more than half of all applicants rejected because of credit concerns. The brand is trying to figure out how to attract a more appropriate customer segment. But that won't stop Danske Direkt, says Lars Sjögren. "In a few years' time, Danske Direkt will be our main way of serving customers."

*Adviser Kristin Marcusson likes the flexibility of working at Danske Direkt.*

### Finland

Not launched

Sampo Bank launched new customer packages during its 2008 migration, and is still converting customers to those packages. And since Finns already do their daily banking online, Sampo Bank would rather guard its fee income. "Fee-free banking is only beneficial if we gain a lot of new customers or a lot more business from the same customers," says Rauni Haaranen of Business Development.

### Baltics

Not launched

Baltic banks are actually raising fees at the moment as a way to compensate for credit losses. Given the downturn in the Baltics, "this is not the right time for us to launch mass acquisition of new customers," says Norbertas Zioba, head of business development for Baltic Banking.

# The care and feeding of big fish

**A few large companies generate 14% of our Banking Activities income. Yet customer satisfaction surveys of these firms show Danske slipping behind competitors. The Group's solution: a realignment and rethink of its CIB business.**

Large corporations think Danske Bank is one of the best in the Nordic region when it comes to the efficient delivery of basic products, according to a survey of customers by Greenwich Associates.

But when it comes to more complex and profitable services, like structured funding, M&A, and risk management, Danske lags behind competitors named in the survey.

"We're seen as a good bank, but as a bank that people turn to for basic products," says Anne Eberhard. "We are not yet seen as a strategic partner."

## Rearranging customers

Eberhard heads the Danish section of Corporate and Institutional Banking (CIB), which also has teams in Finland, Norway, Sweden and the Irish Republic.



CIB takes care of the Group's 800 largest customers – and limiting that number was the first step in its action plan. About 300 medium-large customers are being re-assigned to their local Finance Centres.

"A lot of our CIB relationship managers had already de-prioritised these customers inside their heads, and were giving most of their time and attention to the biggest customers," says Søren Haugaard, who oversees CIB at a Group level. "The Finance Centres, on the other hand, see these customers as very attractive, and give them the attention they deserve."

## Brainstorming meetings

Cutting the size of client teams, and focusing them on customers within a specific industry, was the next step. That way, account managers have more time to rethink the business from the client's perspective. "We need to be able to understand the client's most important needs and align our behaviour around them," says Eberhard, "rather than pushing products according to internal plans."

Kim Balle, head of business development at CIB Denmark, has instituted brainstorming meetings around each client. He also insists that relationship managers practice their presentations in front of an internal audience and collect feedback before meeting a customer.

"Sometimes we use 95% of our preparation efforts on internal processes and 5% planning how we will present ourselves to the customer," Balle says.

## Killing sacred cows

The reorganisation also killed off a couple of sacred cows. Danske used to pride itself on its 24-hour response time. Given the current credit conditions, that's no longer a selling point. "One point of entry" is also no longer the policy for CIB customers: senior managers on the Danske side were spending too much time talking with customer administrative staff. From now on, Danske admini-



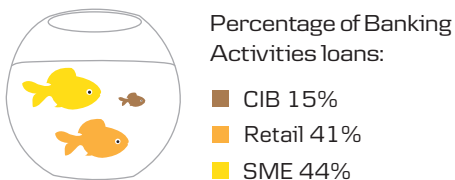
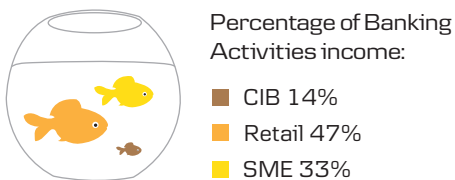
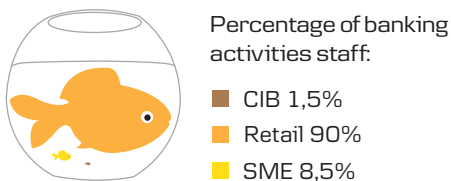
Søren Haugaard, who oversees CIB on a Group level, and Anne Eberhard, head of CIB Denmark, say the sale of basic products must be replaced with a more strategic approach.

strative staff will deal directly with their customer counterparts.

**No immediate improvement expected**

Another Greenwich Associates survey on customer satisfaction is scheduled for this autumn, but despite the reorganisation, the Group isn't expecting an immediate improvement in its rankings. The financial crisis has made customer relationships tricky at all levels, and CIB has been both raising its prices assertively and limiting customers' credit lines.

"On the one hand, the timing of our re-organisation has been difficult, but on the other hand, clients are not as able to shop around among banks as they once were," says Eberhard. "The client needs to talk to us now. That gives us a window of opportunity to prove to clients that we can add value."



Source: Group Business Development, Group Finance

**UPDATE**

Whatever happened to...  
our corporate art giveaway



Danske Magazine May 2009

The Group's curator got more requests than expected.

Adam Grandjean, the full-time curator for the 6000 art objects owned by the Danske Bank Group, didn't expect the corporate art giveaway announced in the last issue of Danske Magazine to be quite so popular.

"I thought I'd get a couple of emails, mostly from Denmark," Grandjean said.

Instead, Grandjean found himself dealing with more than thirty requests from all over the Group.

**Lithographs for Sweden**

The Group has been purchasing art for decades, mostly to decorate offices. But as the number of branches declined, art began to pile up in the Group's two storage facilities. Grandjean hit on the idea of offering art to customers and community organisations, since the goodwill generated is worth more than the works might receive at auction.

After an article on the giveaway ran in May's Danske Magazine, the requests piled up quickly. Sweden asked for some lithographs for a longtime client. Ireland wanted to look at some photographs of possible works for donation. Five Danish hospitals received over 100 pieces each, mostly for their cancer wards, and a rural children's home got 70 colourful prints.

**Can't take them home**

Other potential transactions were less successful. A suggested donation to a London museum fell through. Another museum asked for a landscape by a prestigious painter, which Grandjean finally decided it could borrow, but not own. Meanwhile, a few managers who wanted to take home the art in their offices were gently told no. "If we said yes to one we'd have to say yes to everybody," Grandjean says.

There is still plenty of art available for giveaway, and shipping costs are minimal, with the internal distribution system utilised as much as possible.

If you know a customer or a community organisation you think would benefit from Danske Bank Group corporate art, contact ADG at 45691.

## THE BIG PICTURE

How - and why - to read  
our interim report

How to read the  
interim report



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Net income from insurance business	561	-837
Total income	32,283	21,821
Operating expenses	15,385	12,933
Profit before loan impairment charges	16,898	8,888
Loan impairment charges	14,531	1,114
Profit before tax	2,367	7,774
Tax	1,642	1,967
Net profit for the period	725	5,807
Loans and advances	1,731,077	1,745,803
Deposits	782,460	872,373
Shareholders' equity	99,417	104,805
Cost/income ratio (%)	47.7	59.3

### HOW ARE WE DOING?

Danske Bank Group's H1 report is 63 pages long and full of financial complexities, but taking the time to examine the main numbers can be worthwhile. Interim reports provide clues to the Group's strategy on pricing, credit, and growth. "The interim reports will give you a sense of the overall health of the company, what we are doing to move the bank forward and how the journey is progressing," says Tonny Thierry Andersen, the Group's CFO. "You don't have to be a financial whiz kid or understand all the jargon. Just a basic reading of the top numbers will give you a good grasp of how the bank is doing."

Loans and advances have been falling since the last quarter of 2008, as the Group tightens credit. Nevertheless, the Group approved 90% of the loans applied for in Denmark, where the Danish state has made the granting of credit a condition of its bank assistance package. Mortgage demand actually began to creep up in the second quarter.



This crucial figure, reflecting the health of our banking activities, rose 10% compared with the first half of 2008. That's partly because we are raising our loan pricing in order to compensate for increased risk. "But we can and will be competitive in every market where we do business," says CFO Tonny Andersen.

Fee income is suffering from the a decline in securities trading by retail customers, as well as an overall drop in loan volume. The popularity of Danske's new fee-free banking products has had relatively little impact on this number.

Reflects Danske Markets' exceptional trading profits, which have been higher than usual as companies try to hedge their exposures in a volatile economy. Meanwhile, a number of large international investment banks have withdrawn from the Nordic region, which has improved Danske Markets' competitive position.

Index 09/08	Q2 2009	Q1 2009
110	6,907	7,227
86	1,920	1,763
-	4,918	7,479
77	861	647
-	470	91
148	15,076	17,207
119	8,489	6,896
190	6,587	10,311
-	6,550	7,981
30	37	2,330
83	865	777
12	-828	1,553
99	1,731,077	1,770,485
90	782,460	796,449
95	99,417	99,507
5	56.3	40.1
3	-	-

This figure refers to non-banking activities such as the Group's real estate franchises and leasing. If the Group sells assets during the half-year period, the income appears in this line. Because the Group sold a fair amount of real property during the first half of 2008, the 2009 number represents a decline.

Total income in the first half of 2009 was the highest the Group has ever posted for a half-year period, mostly due to the exceptional returns at Danske Markets.

This line includes salaries, rent, electricity and office supplies. In Q2 2009, it also reflected a EUR188 million write-off of goodwill for Danske Banka Latvia and Danske Bankas Lithuania. Currently, it includes commissions paid to the Danish state for coverage under the Danish banking package.

This ratio is declining as integration costs for Sampo Bank diminish and synergies take hold. "Cost management is particularly important in a tough revenue environment," says Andersen.

Large loan impairments in Denmark, Ireland, Finland, and the Baltics are visible in this number. Some external analysts say Danske has booked losses earlier in this economic cycle than its Nordic competitors. "Only time will tell whether this is true or if our loan book has a lower credit quality than our peers," Andersen says.

## MY CAREER

Nicolai Franck  
Corporate Relationship Manager  
ZAO Danske Bank

“I thought I was coming here to change Russia. Instead, Russia is changing me.”



Nicolai Franck, 32, has been a corporate relationship manager at ZAO Danske Bank St. Petersburg since September 2008. A Dane, he is one of a team of 38 providing services to the bank's 100+ customers, mostly Russian subsidiaries of Nordic companies, and travels to Finance Centres throughout the Group to get local bankers excited about doing business in Russia.

**How did you end up in St. Petersburg?**

I saw an item on the portal saying our Russian brand was looking for an experienced relationship manager. I had only been an assistant relationship manager for 5 months, so I wasn't really that experienced. But I had a good knowledge of the Group and a strong network from previous positions, so that was enough to add value.

**You had spent much of your career on the credit side.**

My first job in 'finance' was actually at a company making small consumer loans for hi-fi equipment, where I learned a bit about credit – and a lot about interest rates! I joined the Danske graduate trainee program after I got my masters degree, and that allowed me to work in all different parts of the credit department, including research and modelling.

**Do you prefer sales?**

I'm an outgoing person, so the customer side fits me well. But my credit experience is invaluable. I know how to pre-screen my loan applications to give Group Credits what it's looking for, and so far I've never had one rejected.

**What's a typical day in your job in St. Petersburg?**

There is no typical day! One day I

might be arranging corporate credit cards, the next day negotiating terms for a corporate loan, and the next day making cold calls to potential clients.

**Do you like living in Russia?**

My local colleagues have gone out of their way to make me feel comfortable. Still, it's a challenge, particularly since I speak very little Russian. The first time I tried to buy milk in a supermarket I ended up with something odd and peach-tasting. After that, I ate most of my meals in restaurants. But now that I've been here for awhile, I'm getting more confident about navigating the shops.

**How is the work life different?**

Danske Bank is a young brand in Russia, and part of my job is showing my colleagues how to do things the Danske way. I've also learned, however, how important it is to conform to Russian standards. Something as small as a document dated in the wrong place could mean it won't be approved by the Russian authorities. The pace of business here is different too. I used to say to clients "We'll fix that within the week." Now I tend to say, "We'll fix that within a reasonable time." I thought I was coming here to change Russia. What is happening is that Russia is changing me.

**CAREER PATH**

- 1999-2005: Credit consultant at Danaktiv, a consumer loan company
- 2005: Finished Masters Degree, Copenhagen Business School
- 2005: Joined Danske Graduate Trainee Program
- 2006: Credit analyst, Danske Group Credit
- 2008: Assistant relationship manager, CIB Denmark
- 2008: Corporate Relationship Manager, St. Petersburg