



Interim report
– first half
2015

Danske Bank Group

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Financial highlights

INCOME STATEMENT (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Net interest income*	10,829	10,836	100	5,516	5,313	104	5,681	97	22,313
Net fee income*	6,134	5,207	118	3,088	3,046	101	2,643	117	11,154
Net trading income*	4,240	4,152	102	1,525	2,715	56	2,251	68	6,693
Other income	866	674	128	506	360	141	365	139	1,344
Net income from insurance business*	1,110	927	120	333	777	43	576	58	2,496
Total income	23,179	21,797	106	10,968	12,211	90	11,516	95	44,000
Operating expenses	10,750	11,021	98	5,313	5,437	98	5,589	95	22,641
Goodwill impairment charges	-	-	-	-	-	-	-	-	9,099
Profit before loan impairment charges	12,429	10,776	115	5,655	6,774	83	5,927	95	12,260
Loan impairment charges	283	1,267	22	-219	502	-	626	-	2,788
Profit before tax, core	12,146	9,509	128	5,874	6,272	94	5,301	111	9,472
Profit before tax, Non-core	30	-794	-	-60	90	-	-162	-	-1,503
Profit before tax	12,176	8,715	140	5,814	6,362	91	5,139	113	7,969
Tax*	2,757	1,791	154	1,346	1,411	95	986	137	4,020
Net profit for the period	9,419	6,924	136	4,468	4,951	90	4,153	108	3,948
Net profit for the period before goodwill imp. chg.	9,419	6,924	136	4,468	4,951	90	4,153	108	13,047
Attributable to additional tier 1 etc.	279	100	279	161	118	136	82	196	261
BALANCE SHEET (END OF PERIOD)									
(DKK millions)									
Due from credit institutions and central banks	125,520	44,466	282	125,520	102,548	122	44,466	282	63,786
Repo loans	234,139	292,673	80	234,139	288,269	81	292,673	80	290,095
Loans	1,601,060	1,566,498	102	1,601,060	1,605,022	100	1,566,498	102	1,563,729
Trading portfolio assets	596,739	696,500	86	596,739	800,072	75	696,500	86	742,512
Investment securities	330,926	207,171	160	330,926	321,892	103	207,171	160	330,994
Assets under insurance contracts	269,214	259,052	104	269,214	286,539	94	259,052	104	268,450
Total assets in Non-core	30,326	36,107	84	30,326	39,626	77	36,107	84	32,329
Other assets	264,289	171,018	155	264,289	227,190	116	171,018	155	161,120
Total assets	3,452,213	3,273,485	105	3,452,213	3,671,158	94	3,273,485	105	3,453,015
Due to credit institutions and central banks	114,717	129,517	89	114,717	122,144	94	129,517	89	126,800
Repo deposits	337,311	411,690	82	337,311	428,853	79	411,690	82	400,618
Deposits	839,690	763,571	110	839,690	826,761	102	763,571	110	763,441
Bonds issued by Realkredit Danmark	691,544	648,068	107	691,544	678,875	102	648,068	107	655,965
Other issued bonds	345,532	297,571	116	345,532	350,724	99	297,571	116	330,207
Trading portfolio liabilities	485,838	407,457	119	485,838	609,719	80	407,457	119	550,629
Liabilities under insurance contracts	288,658	276,156	105	288,658	305,261	95	276,156	105	288,352
Total liabilities in Non-core	6,065	8,505	71	6,065	7,421	82	8,505	71	4,950
Other liabilities	145,956	134,719	108	145,956	147,227	99	135,719	108	138,642
Subordinated debt	36,846	41,094	90	36,846	36,948	100	41,094	90	41,028
Additional tier 1 etc.	11,340	5,668	200	11,340	11,375	100	5,668	200	5,675
Shareholders' equity	148,715	149,470	99	148,715	145,851	102	149,470	99	146,708
Total liabilities and equity	3,452,213	3,273,485	105	3,452,213	3,671,158	94	3,273,485	105	3,453,015
RATIOS AND KEY FIGURES									
Earnings per share (DKK)**	9.2	6.9		4.4	4.9		4.1		3.8
Return on avg. shareholders' equity (% p.a.)**	12.5	9.4		11.8	13.3		11.1		2.5
Return before goodwill impairment charges on avg. shareholders' equity (% p.a.)**	12.5	9.4		11.8	13.3		11.1		8.6
Return on avg. tangible equity (% p.a.)	14.1	11.4		13.3	14.9		13.4		10.5
Net interest income as % p.a. of loans and deposits	0.89	0.93		0.90	0.87		0.98		0.96
Cost/income ratio (%)	46.4	50.6		48.4	44.5		48.5		72.1
Cost/income ratio before goodwill imp. chg. (%)	46.4	50.6		48.4	44.5		48.5		51.5
Total capital ratio (%)	18.7	18.5		18.7	18.4		18.5		19.3
Common equity tier 1 capital ratio (%)	14.3	14.4		14.3	14.0		14.4		15.1
Share price (end of period) (DKK)	196.8	153.9		196.8	183.5		153.9		167.4
Book value per share (DKK)**	150.2	149.6		150.2	146.0		149.6		146.8
Full-time-equivalent staff (end of period)	18,874	19,172		18,874	18,715		19,172		18,603

* Changes have been made to the highlights for 2014, as presented in note 1.

** Ratios are calculated as if the additional tier 1 capital is classified as a liability. Average shareholders' equity is calculated as a quarterly average.

Executive summary

"In the first half of 2015, we benefited from our diversified business model and posted a satisfactory result despite the adverse effect of negative interest rates. The result is driven by high customer activity, improved macroeconomic conditions and lower impairments," says Thomas F. Borgen, Chief Executive Officer.

"Our underlying business continued its positive development as we are executing our strategy of becoming a more customer-centric, simple and efficient business. We have launched a number of new innovative solutions across our markets, strengthened relationships with our customers and have seen continually positive developments on the customer side.

On the basis of stronger income and lower impairments, we raise our guidance for the year and now expect a net profit of above DKK 16 billion for 2015."

Financial summary

- In the first half of 2015, we took further steps towards meeting our targets, posting a net profit of DKK 9.4 billion, an increase of 36% from the level in the first half of 2014.
- The return on shareholders' equity after tax was 12.5% p.a., against 9.4% p.a. for the first half of 2014. The return on tangible equity was 14.1% p.a., against 11.4% p.a. for the first half of 2014. We remain on track to reach our 2015 target for shareholders' return on equity.
- Net interest income was at the same level as in the first half of 2014. The prevailing low interest rate environment combined with deposit growth and very low deposit margins continued to put pressure on net interest income, although the pressure was offset by tailwinds from the repayment in April 2014 of the hybrid capital raised from the Danish state, a higher investment return on our liquidity bond portfolio and a positive development in lending volumes.
- Net fee income showed an 18% rise owing to a high level of mortgage refinancing, increased customer activity at all banking units and positive developments at Danske Capital.
- Net trading income rose 2% above the level in the first half of 2014 to DKK 4.2 billion. Income from trading activities was in line with our expectations in the second quarter as we managed the risks stemming from increased volatility in the long-term interest rates. Net trading income was higher in the first quarter because of high customer activity in the financial markets and positive fair value adjustments resulting from declining interest rates. In the first half of 2014, net trading income included the additional positive effect from the sale of our shares in Nets.
- Net income from insurance business amounted to DKK 1.1 billion, up from DKK 0.9 billion in the first half of 2014. The result reflects higher investment income and the booking of the risk allowance for all of the interest rate groups.
- Operating expenses fell from DKK 11.0 billion to DKK 10.8 billion in the first half of 2015 as a consequence of our continued focus on costs and despite an increase in customer activity. The cost/income ratio improved 4.2 percentage points to 46.4%.
- Impairments in our core activities declined further to DKK 0.3 billion as customers' credit quality benefited from the low interest rate environment and an increase in collateral values. This corresponds to a loan loss ratio of 0.03% p.a.
- In June, we received an upgrade from Moody's that brought our long-term rating to A2 and our short-term rating to P-1, and in July, S&P changed its outlook for our long-term A rating to stable. This means that we have met our rating targets and are able to do more business with specific C&I customer groups and to further optimise our funding.
- On 30 March 2015, we initiated a share buy-back programme of up to DKK 5.0 billion. At 30 June 2015, we had bought back 9,765,000 shares for a total purchase amount of DKK 1.9 billion.
- At the end of the second quarter, the common equity tier 1 capital ratio and the total capital ratio were 14.3% and 18.7%, respectively, against 15.1% and 19.3% at 31 December 2014. The liquidity coverage ratio (LCR) was 130%. The total risk exposure amount was DKK 892 billion, or DKK 27 billion higher than the level at the end of 2014.

- We have decided to simplify our operational setup by running our operations in Northern Ireland as an independent business unit. This change, which will take effect on 1 January 2016, will enhance our ability to develop our strong market position while enabling the organisation to continue to create value for customers and improve profitability.
- We now expect net profit for 2015 to be above DKK 16 billion, an increase from our earlier guidance of a net profit of above DKK 14 billion. See page 9 for our full outlook.

Strategy execution

In the first half of 2015, we continued our journey towards becoming a more customer-centric, simple, and efficient financial partner. We executed our strategy of being a Nordic universal bank that provides deep financial expertise and leading innovative solutions to customers across all our markets. Our improved financial results, achieved despite extraordinarily low interest rates and even negative deposit rates in our core markets, attest to the strength of our diversified business model.

The extreme interest rate environment gave us a good opportunity to use our expertise to help customers make the most of an unprecedented situation. At Personal Banking, we helped households optimise their mortgages through refinancing and changes to their repayment profiles, and almost two-thirds of total gross mortgage lending in the first half of 2015 were conventional fixed-rate loans with principal repayment, up from less than one-third a year ago. We also introduced new fixed-rate options on a number of bank loans and continued to advise customers on investment solutions as alternatives to conventional savings accounts. For business customers, Danske Markets and Danske Invest joined forces to offer new low-risk investment funds as an alternative to zero or negative interest rates.

We took further steps to realise our growth ambitions in Norway and Sweden. In Norway, the agreement we reached at the beginning of the year to offer our services to more than 100,000 members of the Akademikerne federation contributed a DKK 10 billion mortgage lending inflow. In both markets, we increased our activities in the SME and large corporate segments by providing them with our full range of financial products. In Sweden and Norway, loan volumes at Business Banking were 8% higher in total than in the first half of 2014.

These encouraging results were brought about by our efforts to make our full range of expertise and services available to customers in all markets and business units through increased internal collaboration and efficiency. Our increasing volumes at Business Banking benefited from our ability to follow our customers across borders and to offer attractive solutions, including products from Realkredit Danmark, across Scandinavia. Danica Pension and Business Banking also strengthened their collaboration, leading to new customers and high premium growth at Danica Pension in both Sweden and Norway.

We proceeded with our efforts to adapt Corporates & Institutions' business model to current market conditions and the new regulatory environment. Our continuing focus on cultivating strong, long-term client relationships led to a 23% rise in customer-driven income from the level in the first half of 2014. Capital Markets delivered a strong performance in the first half of the year with several successful bond issues and leading roles in other major transactions. The expected decline in capital consumption has been delayed, however, as volatile market conditions continued to necessitate higher capital buffers for counterparty and market risk.

Danske Capital continued to focus on alternative investments in order to give professional clients additional investment options in today's low interest rate environment. Danske Capital launched a private equity fund of funds. With DKK 4.4 billion raised, the fund is the largest private equity fund of funds launched this year.

At Danica Pension, our efforts to expand our customer base in the Nordics led to an extensive partnership with Allianz Global Benefits, a German insurer. The collaboration enables Danica Pension to use its deep local knowledge to service Allianz's customers in the Nordic region, providing employees at the Nordic subsidiaries of large international companies with the appropriate pension and life insurance coverage.

In our quest to make banking easier for our customers, we continued to invest in digital offerings. For MobilePay, which now has more than 2.3 million personal users and more than 9,000 Danish businesses signed up, the second quarter saw the introduction of a point-of-sale solution at some of the largest Danish supermarkets and retailers that offers consumers the option of paying with their smartphone. We also released a new receipt function that enables customers to save digital receipts from a large number of vendors.

On the basis of the initiatives and progress of the first half of 2015, we are confident that we are on track to deliver on our 2015 and 2018 ambitions. The table below shows the financial targets we aim to meet no later than at end-2018 as well as the current status and our progress towards meeting them.

Financial targets	Target	Status at 30 June 2015	Comments	2015 ambition
Shareholders' return on equity	Above 12.5%*	12.5%	Initiatives progressing as planned	9.5%
Ratings	A ratings	S&P/Moody's/Fitch A/A2/A Stable/Stable/Stable	Target met after upgrade from Moody's in June and stable outlook from S&P in July	S&P rating outlook improved to stable
Common equity tier 1 capital ratio	Minimum 13%	14.3%	Met since end-2012	Around 14%
Total capital ratio	Minimum 17%	18.7%	Met since end-2012	Well above 17%
Dividend payments	Payout of 40-50% of net profit	For 2014: 43% of net profit before goodwill impairments	Met with payout for 2014	Payout of 40-50% of net profit

* In 2018 at the latest.

New operating model for Northern Ireland

Danske Bank has a strong market position in both the personal and business customer markets in Northern Ireland. The financial results have improved over the past couple of years, and we expect that to continue.

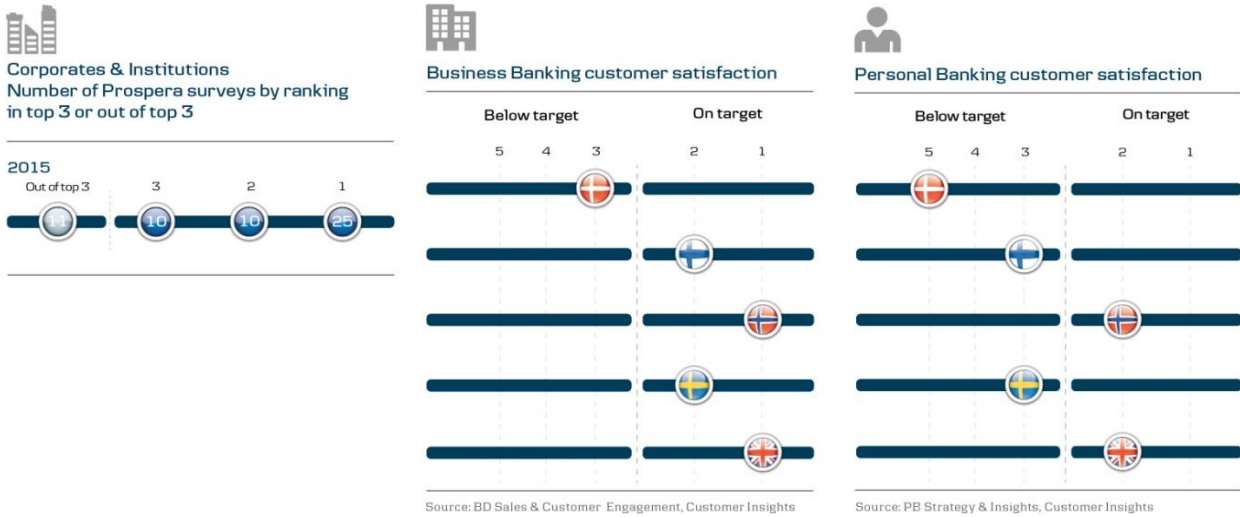
As part of our ongoing business review, we have considered how we can further strengthen our operations in Northern Ireland for the benefit of both customers and shareholders. The operational synergies and customer interaction between this market and the Nordic markets are limited. We have therefore concluded that our activities in Northern Ireland can operate more efficiently as a standalone business unit rather than as part of Personal Banking and Business Banking, while still benefiting from cost efficiencies from within the Group. We are confident that this will better enable our UK organisation to continue to create value for our customers and develop our strong market position while also improving profitability.

Effective from 1 January 2016, Danske Bank in Northern Ireland will be disclosed as a separate business unit.

Customer satisfaction

In our efforts to strengthen our market position, improving customer satisfaction remains a key priority. We have not yet reached our overall target of being ranked number one or two in our focus segments in all our markets, but with our results in the first half of 2015, we have taken steps in the right direction.

The charts below show our current ranking among peers in our focus segments in each country.



Customer satisfaction at Corporates & Institutions remained high, as customers ranked us as the best Fixed Income house in the Nordics; number one in Interest Rate Swaps, up from number two in 2014, number one in Cash Management for the second consecutive year and number one in Trade Finance for the fifth consecutive year. Corporates & Institutions was runner up on Debt Capital Markets Issuers for the second consecutive year and on Foreign Exchange for the third consecutive year (Prospera surveys).

Business Banking saw good progress in customer satisfaction in all countries. We are on target in four of the five countries, as we are number one or two on customer satisfaction in Finland, Norway, Sweden and Northern Ireland. In Denmark, we climbed to third position. We will strengthen our focus on delivering what our customers need and expect from us in order to improve customer satisfaction even more in the coming years.

At Personal Banking, customer satisfaction is below target in Denmark, Finland and Sweden. But in Denmark and Finland, we continue to see steady improvement, although from a low level. In Norway and Northern Ireland, customer satisfaction is on target. The strong customer satisfaction within Private Banking continued to develop positively. We work hard every day to enhance the customer experience and to be more proactive at all touch points because we know that the more interaction we have with our customers, the more they value our competencies and services.

Danske Capital continued to see high customer satisfaction. With 65% of the votes in the 2015 Extel survey, Danske Capital was rated the best Danish asset manager. Danske Capital was also ranked number one in 2014.

The most recent Aalund Business Research survey ranked Danica Pension third overall in Denmark. We saw positive developments, and enhancing customer satisfaction will remain a focus area for the coming years.

Outlook for 2015

We now expect a net profit for 2015 of above DKK 16 billion. Our previous guidance was a net profit of above DKK 14 billion. The stronger outlook is owing mainly to positive developments in income and impairments which stem from solid customer activity across our business units, and improved macroeconomic conditions.

We expect total income to increase from the level in 2014. Income will benefit from the high net trading income in the first quarter and lower funding costs. On the other hand, negative central bank interest rates are putting pressure on net interest income, and developments in the bond market pose risks for trading and insurance income. In 2014, income benefited from the sale of our shares in Nets and the booking of part of the shadow account balance at Danica Pension.

Expenses are expected to be below DKK 22 billion.

Impairment charges in our core activities are expected to decline to a level significantly lower than in 2014. The decline is driven by our continued efforts to improve credit quality and an improvement in customers' financial situation caused by lower interest rates, higher collateral values and a general improvement in the economy.

For our Non-core business, we expect profit before tax at around DKK 0 million.

Given its dependence on economic conditions, including developments in central bank monetary policies, this guidance is generally subject to uncertainty. Trading income and insurance business income are particularly uncertain. The 2015 trading and insurance results will depend greatly on developments in the financial markets and the possibility for Danica Pension to book the risk allowance and part of the balance on the shadow account to income.

Financial review

In the first half of 2015, Danske Bank posted a profit before tax from core activities of DKK 12.1 billion, an increase of 28% from the level in the first half of 2014. The net profit was DKK 9.4 billion, up 36% from the level in the first half of 2014.

Income

Total income amounted to DKK 23.2 billion and was up 6% from the level in the first half of 2014.

Net interest income totalled DKK 10.8 billion and was at the same level as in the first half of 2014. The prevailing low interest rate environment and very low deposit margins continued to put pressure on net interest income. However, this was offset by tailwinds from the repayment in April 2014 of the hybrid capital raised from the Danish state, an increased investment return on our liquidity bond portfolio and a positive development in lending volumes.

Net fee income rose 18% to DKK 6.1 billion. Net fee income benefited from a high level of mortgage refinancing as many of our customers took advantage of the historically low interest rates, increased customer activity at all banking units and positive developments at Danske Capital.

Net trading income totalled DKK 4.2 billion, an increase of 2% from the year-earlier level. The increase was driven by higher client activity owing to the volatile financial markets, as well as positive fair value adjustments, mainly in the first quarter. Income was adversely affected by improvements of the model for credit value adjustments (CVA). In the first half of 2014, net trading income included the additional positive effect of DKK 1.0 billion relating to the sale of our shares in Nets.

Net income from insurance business rose 20% to DKK 1.1 billion. The result benefited from higher investment income and booking of the full risk allowance to income for all four interest rate groups.

Other income amounted to DKK 0.9 billion, an increase of 28% from the first-quarter 2014 level. The increase was owing to a refund of payroll tax paid in previous years.

Expenses

Operating expenses amounted to DKK 10.8 billion, and fell 2% from the level in the first half of 2014. The cost/income ratio improved 4.2 percentage points to 46.4% as a consequence of our continued cost focus and despite the higher customer activity.

Expenses for VAT and payroll tax for the first half of 2015 amounted to DKK 0.9 billion, unchanged from the first half of 2014.

Loan impairments

Loan impairments declined from the level in the first half of 2014 at all business units. The lower impairment level reflected general improvements in credit quality and collateral values.

LOAN IMPAIRMENT CHARGES				
(DKK millions)	First half 2015		First half 2014	
	Charges	% of lending and guarantees	Charges	% of lending and guarantees
Personal Banking	375	0.09	553	0.14
Business Banking	-103	-0.03	504	0.17
C&I	11	-	210	0.08
Total	283	0.03	1,267	0.14

Tax

Tax on the profit for the first half of 2015 amounted to DKK 2.8 billion, or 22.6% of the profit before tax.

Q2 2015 vs Q1 2015

Profit before tax amounted to DKK 5.8 billion, against DKK 6.4 billion in the first quarter of 2015.

Net interest income amounted to DKK 5.5 billion, up 4%. The increase was caused by one more day in the second quarter, interest compensation regarding the payroll tax refund and the positive effect from increasing average lending volumes.

Net trading income amounted to DKK 1.5 billion, against DKK 2.7 billion in the first quarter. Net trading income was higher in the first quarter because of high customer activity in the financial markets and positive fair value adjustments.

The insurance business generated a net income of DKK 0.3 billion, against DKK 0.8 billion in the first quarter of 2015. The fall occurred because of lower investment income in the second quarter of 2015.

Driven by improvements in credit quality and collateral values, loan impairments in core activities showed a net reversal of DKK 0.2 billion against charges of DKK 0.5 billion in the first quarter.

The number of full-time employees rose 159 from the end of the first quarter because of insourcing of selected IT activities.

Balance sheet

LENDING (END OF PERIOD) (DKK billions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Full year 2014
Personal Banking	805.7	802.0	100	805.7	807.5	100	794.1
Business Banking	651.6	630.1	103	651.6	644.0	101	633.7
C&I	179.2	167.6	107	179.2	189.7	94	172.4
Other Activities incl. eliminations	-4.8	0.2	-	-4.8	-3.7	-	-4.1
Allowance account, lending	30.6	33.4	92	30.6	32.5	94	32.4
Total lending	1,601.1	1,566.5	102	1,601.1	1,605.0	100	1,563.7

DEPOSITS (END OF PERIOD)							
Personal Banking	353.2	335.7	105	353.2	334.8	105	329.5
Business Banking	258.5	256.0	101	258.5	262.2	99	259.8
C&I	229.5	171.0	134	229.5	230.0	100	174.2
Other Activities incl. eliminations	-1.5	0.9	-	-1.5	-0.2	-	-0.1
Total deposits	839.7	763.6	110	839.7	826.8	102	763.4

BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIOD)							
Bonds issued	691.5	648.1	107	691.5	678.9	102	656.0
Own holdings of bonds	48.6	95.0	51	48.6	69.8	70	88.5
Total Realkredit Danmark bonds	740.2	743.1	100	740.2	748.7	99	744.5
Other covered bonds	219.5	207.1	106	219.5	218.1	101	211.7
Deposits and issued mortgage bonds etc.	1,799.4	1,713.8	105	1,799.4	1,793.6	100	1,719.6
Lending as % of deposits and issued mortgage bonds etc.	89.0	91.3		89.0	89.5		90.9

Lending

At the end of June 2015, total lending was up 2% from the level at the end of 2014. Lending increased at all banking units.

In Denmark, new gross lending, excluding repo loans, amounted to DKK 38.9 billion. Lending to personal customers accounted for DKK 19.6 billion of this amount.

In Denmark, our market share of total lending, including repo loans, fell from 26.5% at the end of 2014 to 26.3%. We maintained our market shares of lending in Finland and Sweden, whereas our market share of lending rose in Norway.

MARKET SHARES OF LENDING (%)	31 May 2015	31 December 2014
Denmark (excluding mortgage loans)	26.3	26.5
Finland	9.8	9.8
Sweden	4.9	4.9
Norway	5.2	4.6

Source: Market shares are based on data from the central banks. Market shares include repo loans, with the exception of the market shares for Sweden.

Lending equalled 89.0% of the total amount of deposits, mortgage bonds and other covered bonds, against 90.9% at the end of 2014.

Deposits

At the end of June 2015, total deposits were up 10% from the level at the end of 2014, with increases recorded in particular at Corporates & Institutions.

MARKET SHARES OF DEPOSITS (%)	31 May 2015	31 December 2014
Denmark	28.7	27.1
Finland	13.6	11.9
Sweden	3.9	4.2
Norway	5.2	5.1

Source: Market shares are based on data from the central banks. Market shares include repo deposits, with the exception of the market shares for Sweden.

Credit exposure

Net credit exposure totalled DKK 3,770 billion, against DKK 3,722 billion at the end of 2014.

Risk Management 2014, which is available at danskebank.com/ir, provides details on Danske Bank's credit risks.

Credit quality

The improving macroeconomic conditions supported credit quality, and new impairments continued to decrease while reversals increased. The increase in reversals occurred across business units but was most evident in Denmark. Total gross non-performing loans (NPL) continued to decrease.

The risk management notes on pp. 49-57 provide more information about non-performing loans.

NON-PERFORMING LOANS (NPL)				
(DKK millions)	30 June 2015		31 December 2014	
	Gross NPL	55,990		58,439
Individual allowance account	27,185		29,049	
Net NPL	28,805		29,390	
Collateral (after haircut)	23,408		24,722	
NPL coverage ratio (%)	83.4		86.2	
NPL coverage ratio of which is in default (%)	93.8		95.5	
NPL as percentage of total gross exposure	2.3		2.5	

NPL coverage ratio is calculated as individual impairment (allowance account) amounts relative to gross NPL net of collateral (after haircut).

Accumulated individual impairments amounted to DKK 27.2 billion, or 1.4% of lending and guarantees. Accumulated collective impairments amounted to DKK 4.1 billion, or 0.2% of lending and guarantees. The corresponding figures at 31 December 2014 were DKK 29.0 billion and DKK 4.0 billion, respectively.

ALLOWANCE ACCOUNT BY BUSINESS UNIT				
(DKK millions)	30 June 2015		31 December 2014	
	Accum. Impairm. charges*	% of lending and guarantees	Accum. Impairm. charges*	% of lending and guarantees
Personal Banking	8,222	1.00	8,382	1.03
Business Banking	19,968	2.95	21,493	3.28
C&I	3,065	0.75	3,157	0.54
Other Activities incl. eliminations	-	-	2	-
Total	31,256	1.65	33,034	1.73

* Includes amounts for credit institutions, loans and guarantees.

Recognised losses amounted to DKK 2.9 billion. Of these losses, DKK 0.4 billion was attributable to facilities not already subject to impairment.

Trading and investment activities

Credit exposure from trading and investment activities amounted to DKK 928 billion at the end of June 2015, against DKK 1,074 billion at the end of 2014. The decrease in credit exposure from trading and investment activities was owing to a reduction of the bond portfolio.

Danske Bank has made netting agreements with many of its counterparties concerning positive and negative market values of derivatives. The net exposure was DKK 135 billion, against DKK 109 billion at the end of 2014, and it was mostly secured through collateral management agreements.

The value of the bond portfolio was DKK 578 billion. Of the total bond portfolio, 79% was recognised at fair value and 21% at amortised cost.

BOND PORTFOLIO (%)	30 June 2015	31 December 2014
Government bonds and bonds guaranteed by central or local governments	37	35
Bonds issued by quasi-government institutions	1	1
Danish mortgage bonds	42	45
Swedish covered bonds	13	11
Other covered bonds	3	3
Corporate bonds	4	5
Total holdings	100	100
Hold-to-maturity bonds included in total holdings	21	16
Available-for-sale bonds included in total holdings	9	9

Capital and solvency

Our capital management policies and practices support our business strategy and ensure that we are sufficiently capitalised to withstand severe macro-economic downturns.

We have set capital targets: a total capital ratio of at least 17% and a common equity tier 1 (CET1) capital ratio of at least 13%. The targets have been met since the end of 2012. In the current low-growth environment, which entails macro-economic and regulatory uncertainty, we consider a CET1 capital ratio of around 14% and a total capital ratio well above 17% to be appropriate levels. We revise our capital policy at least once a year. The capital structure may be adjusted through distributions if excess capital is available after dividends have been paid and our capital targets met.

At the end of June 2015, the total capital ratio was 18.7%, and the CET1 capital ratio was 14.3%.

TOTAL CAPITAL AND RISK EXPOSURE AMOUNT (DKK billions)	Q2		2014
	2015	2015*	
CET 1 instruments	128	125	130
AT1 capital instruments, less statutory deductions	19	19	14
T2 instruments, less statutory deductions	20	20	23
Total capital	167	164	167
Risk exposure amount	892	895	865

*First quarter 2015 is adjusted for pension scheme held with Danica Pension covering current and former Danske Bank employees.

In continuation of a dialogue with the Danish FSA, we have changed the accounting for a pension scheme held with Danica Pension covering current and former Danske Bank employees. The change was implemented in the financial statements for 2014 through a restatement of comparative figures. This led to a one-off reduction in shareholders' equity in Danske Bank of DKK 0.7 billion, representing a reduction of the CET1 capital ratio of 0.1 of a percentage point at the end of June 2015.

At the end of June 2015, Danske Bank's solvency need amounted to DKK 94.1 billion, or 10.5% of the total risk exposure amount (REA). At the end of June 2015, total capital was thus DKK 72.9 billion in excess of the solvency need.

Total REA rose DKK 30 billion from the end of 2014 to the end of March 2015. REA for credit risk rose DKK 17 billion because of the effect of increased lending activity, while REA for market risk and counterparty risk rose DKK 13 billion because of increased market volatility.

Total REA declined some DKK 3 billion to DKK 892 billion from the end of March to the end of June 2015. REA for credit risk fell DKK 9 billion, while REA for market risk and counterparty risk rose DKK 6 billion. The fall in REA for credit risk was owing to continued deleveraging of the Non-core portfolio, including the sale of the SME portfolio in the second quarter, which resulted in a reduction of DKK 15 billion, and credit portfolio changes at the core business units, which resulted in a rise of about DKK 6 billion. The rise in REA for market risk and counterparty risk was owing to a significant increase in market volatility, which led to an increase of DKK 10 billion, and the implementation of an Internal Model Method (IMM) for calculating REA for counterparty risk and an extended Value-at-Risk model for calculating REA for market risk, which led to a DKK 4 billion reduction. Permission to use the models was received from the Danish FSA in June.

In July, Danske Bank Oyj received the Finnish FSA's permission to use the foundation internal ratings-based approach (F-IRB) for calculating REA for credit risk for the corporate asset class from the

third quarter of 2015. The permission for the Finnish portfolio applies to the Group as well.

The share buy-back programme of up to DKK 5.0 billion was initiated on 30 March 2015 and may run until 31 December 2015. At 30 June 2015, we had bought back 9,765,000 shares for a total purchase amount of DKK 1.9 billion (figures at trade date).

Ratings

In June, Moody's raised Danske Bank's long-term rating to A2 from A3 and its short-term rating to P-1 from P-2. Moody's affirmed its stable outlook for the long-term rating.

Danske Bank's long- and short-term ratings from S&P were unchanged in the first half of 2015. In July, S&P changed its outlook for our long-term rating to stable.

Danske Bank's long- and short-term ratings from Fitch were unchanged.

DANSKE BANK'S RATINGS			
	Moody's	S&P	Fitch
Long-term	A2	A	A
Short-term	P-1	A-1	F1
Outlook	Stable	Stable*	Stable

* As of July

DANSKE BANK OYJ'S RATINGS		
	Moody's	S&P
Long-term	A2	A
Short-term	P-1	A-1
Outlook	Stable	Stable

Danske Bank Oyj's ratings remain unchanged. Earlier this year, Danske Bank Oyj was placed under review for a potential downgrade because of expectations of reduced government support to banks. The final outcome of the review of Danske Bank Oyj's ratings, however, was an affirmation of both its A2 long-term rating and its P-1 short-term rating. Both ratings have a stable outlook.

Mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark are rated AAA by S&P (stable outlook). In addition, bonds issued from capital centre S are rated AAA by Fitch, while bonds issued from capital centre T are rated AA+. Both ratings have a stable outlook.

ICAAP

Danske Bank's capital management policies and practices are based on an internal capital adequacy assessment process (ICAAP). In this process, Danske Bank identifies its risks and determines its solvency need.

The calculation of the solvency need for the Group and the parent company, Danske Bank A/S, is de-

scribed in more detail in Risk Management 2014, which is available at danskebank.com/ir.

Funding and liquidity

With a liquidity buffer of DKK 444 billion at the end of June 2015, Danske Bank's liquidity position remains robust.

Under the Danish Bank Package 6, Danish SIFI banks must have an LCR of 100% by 1 October 2015.

With an LCR of 130% at the end of June 2015, Danske Bank remained in compliance with the LCR requirement as defined by the Danish FSA. Danske Bank also complied with all other liquidity requirements.

Stress tests show that we have a sufficient liquidity buffer well beyond 12 months.

In the first half of 2015, Danske Bank issued senior debt for DKK 20.5 billion, covered bonds for DKK 9.6 billion, and additional tier 1 capital for DKK 5.6 billion, totaling DKK 35.7 billion. We also redeemed long-term debt of DKK 20.3 billion.

At the end of June 2015, the total amount of outstanding long-term funding, excluding additional tier 1 capital and senior debt issued by Realkredit Danmark, was DKK 343 billion, against DKK 330 billion at the end of 2014.

DANSKE BANK EXCLUDING REALKREDIT DANMARK		
(DKK billions)	30 June 2015	31 December 2014
Covered bonds	192	186
Senior unsecured debt	114	103
Subordinated debt	37	41
Total	343	330

The Supervisory Diamond

The Danish FSA has identified a number of specific risk indicators for banks and has set threshold values that all Danish banks must comply with. The requirements are known as the Supervisory Diamond.

At 30 June 2015, Danske Bank was in compliance with all threshold values. A separate report is available at danskebank.com/ir.

The supervisory diamond for mortgage credit institutions will be implemented gradually in the period until 2020. Realkredit Danmark already complies with the threshold values for lending growth, borrower's interest rate exposure and large exposures. Realkredit Danmark expects to comply also with the

other two threshold values concerning short-term funding and interest-only loans before implementation.

Capital Regulation

We estimate that the remaining phase-in effect of CRR/CRD IV on our fully-loaded CET1 capital ratio in 2018 will be a reduction of about 1.0 percentage point.

The Danish FSA has approved Danske Bank's continued use of the financial conglomerate deduction method for holdings in Danica Pension. The deduction will be based on Danica Pension's solvency need rather than on its capital requirement, however, as the solvency need requirement is phased in from 2014 to 2016. The non-deductible part of the holdings will be risk-weighted at 100%.

CRR/CRD IV requires credit institutions to calculate, report and monitor their leverage ratios, defined as tier 1 capital as a percentage of total exposure. The Group's leverage ratio was 4.2% at 30 June 2015, taking transitional rules into account. Assuming fully phased-in tier 1 capital under CRR/CRD IV without taking into account any refinancing of non-eligible additional tier 1 instruments, the leverage ratio would be 3.8%.

Danske Bank is designated a SIFI in Denmark and is required to comply with an additional CET1 capital buffer requirement of 0.6%. The additional CET1 capital buffer requirement will increase gradually to 3% in 2019. At 30 June 2015, the SIFI buffer amounted to DKK 5.4 billion.

The Bank Recovery and Resolution Directive

The directive (including bail-in provisions) has been implemented in Danish law with effect from 1 June 2015.

By law, every credit institution must have a minimum amount of "bail-in-able" liabilities. The Danish FSA is authorised to set the minimum amount for Danske Bank.

Further, a Danish resolution fund has been established. Each Danish credit institution must make contributions to the fund on the basis of its size and risk relative to other credit institutions in Denmark. The resolution fund must amount to at least 1% of the covered deposits of all Danish credit institutions by 31 December 2024 at the latest. The first contributions to the fund must be made by 31 December 2015.

Personal Banking

Strong mortgage refinancing and investment activity offset the adverse effect of the low short-term interest rates in the first half of 2015. Combined with tight cost control and lower impairments, this resulted in an increase in profit before tax.

PERSONAL BANKING (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Net interest income	4,728	5,343	88	2,330	2,398	97	2,728	85	10,764
Net fee income	2,734	2,186	125	1,383	1,351	102	1,124	123	4,567
Net trading income	416	318	131	148	268	55	113	131	723
Other income	340	330	103	187	153	122	192	97	632
Total income	8,218	8,177	101	4,048	4,170	97	4,157	97	16,686
Operating expenses	5,224	5,278	99	2,597	2,627	99	2,626	99	10,626
Goodwill impairment charges	-	-	-	-	-	-	-	-	5,539
Profit before loan impairment charges	2,994	2,899	103	1,451	1,543	94	1,531	95	521
Loan impairment charges	375	553	68	130	245	53	216	60	1,412
Profit before tax	2,619	2,346	112	1,322	1,298	102	1,315	100	-891
Profit before tax and goodwill impairment charges	2,619	2,346	112	1,322	1,298	102	1,315	100	4,648
Loans, excluding reverse trans. before impairments	805,726	801,985	100	805,726	807,549	100	801,985	100	794,063
Allowance account, loans	7,527	7,486	101	7,527	7,616	99	7,486	101	7,668
Deposits, excluding repo deposits	353,175	335,724	105	353,175	334,783	105	335,724	105	329,463
Bonds issued by Realkredit Danmark	420,259	422,522	99	420,259	425,741	99	422,522	99	426,203
Allowance account, guarantees	696	625	-	696	701	99	625	111	714
Allocated capital (average)	25,468	32,457	78	24,060	25,881	97	32,483	77	31,722
Net interest income as % p.a. of loans and deposits	0.82	0.94		0.81	0.85		0.97		0.96
Profit before loan impairment charges as % p.a. of allocated capital before goodwill impairment charges	23.5	17.9		23.2	23.8		18.9		18.8
Profit before tax as % p.a. of allocated capital (ROE) before goodwill impairment charges	20.6	14.5		21.1	20.1		16.2		14.4
Cost/income ratio before goodwill impairment charges (%)	63.6	64.5		64.2	63.0		63.2		63.7
Full-time-equivalent staff	6,695	6,971	96	6,695	6,713	100	6,971	96	6,673

Note 2 and Fact Book Q2 2015 provide financial highlights at the country level for Personal Banking. Fact Book Q2 2015 is available at danskebank.com/ir.

First half 2015 vs first half 2014

Profit before tax increased 12% to DKK 2.6 billion, and the return on allocated capital improved 6.1 percentage points to 20.6%. The headwinds from negative short-term interest rates in Denmark and Sweden and a decline in rates in several other markets was offset by lower impairments and higher net fee income and net trading income.

Total income amounted to DKK 8.2 billion. The decline in short-term interest rates put pressure on deposit margins, causing net interest income to fall 12% from the level in the year-earlier period.

Net fee income rose 25%, however, and net trading income rose 31%. These trends were supported mainly by keen customer interest in investment solutions because of the historically low deposit rates in all markets. In Denmark, we saw very strong activity within mortgage refinancing and this raised both net fee income and net trading income.

Operating expenses were flat as efficiency gains from lower back-office production costs were able to offset the higher costs caused by the increase in customer activity.

Loan impairments fell 32% to DKK 0.4 billion as household finances improved.

Credit exposure

Credit exposure consists of mortgages, loans secured on other assets, consumer loans and fully or partially secured credits.

Net credit exposure rose to DKK 828 billion in the first half of 2015, mainly because of an increase in activity in Norway. The strengthening of both the Norwegian krone and the Swedish krona caused a rise in exposure measured in Danish kroner. Net credit exposure fell in Denmark, mainly because of a negative fair value adjustment.

	Net credit exposure		Impairments
	30 June 2015	31 Dec. 2014	(ann.)(%) 30 June 2015
(DKK millions)			
Denmark	530,795	538,980	0.14
Finland	92,954	92,234	0.06
Sweden	74,276	71,552	-0.01
Norway	103,079	85,461	-0.03
Northern Ireland	20,199	18,499	-0.24
Other	6,283	5,631	-0.50
Total	827,585	812,357	0.09

Credit quality

Credit quality was generally stable and improved slightly in some areas as a result of the generally low interest rate levels and an improved macroeconomic outlook in most markets.

The delinquency rate at Realkredit Danmark remained low and stable in the first half of the year.

Individual impairments continued their downward trend from 2014, ending at DKK 366 million in the first half of 2015, significantly below the 2014 level.

	30 June 2015		31 Dec. 2014	
	LTV (%)	Credit exposure (DKK bn)	LTV (%)	Credit exposure (DKK bn)
Denmark	70.1	491	72.9	500
Finland	62.3	85	61.3	84
Sweden	63.5	64	65.8	61
Norway	62.4	79	63.5	65
Northern Ireland	68.7	19	71.3	17
Average	67.8		70.1	

LTV ratios improved in all market areas except Finland.

Q2 2015 vs Q1 2015

Profit before tax rose 2% to DKK 1.3 billion in the second quarter of 2015 as lower costs and impairments more than compensated for the fall in income caused by the decline in mortgage refinancing and investment activity from the very high level in the first quarter.

Total income declined 3% because of a fall in net interest income caused by the continued pressure on deposit margins and stronger competition on lending margins.

Net fee income rose 2%, reflecting high customer activity.

Operating expenses were flat.

Loan impairment charges fell 47% and reflected improvements in credit quality.

Business Banking

Profit before tax rose 40% as a result of strong business momentum in all markets and a reduction of impairments in Denmark, Norway and Northern Ireland. Lending volumes and business activity rose during the first half of 2015, and the increase more than offset the effect of the low short-term interest rates. Impairments fell because of our continued efforts to improve credit quality and more favourable market conditions.

BUSINESS BANKING (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Net interest income	4,537	4,368	104	2,313	2,224	104	2,283	101	8,978
Net fee income	1,139	1,017	112	567	572	99	510	111	2,082
Net trading income	442	315	140	230	212	108	120	192	637
Other income*	339	266	127	165	174	95	134	123	516
Total income	6,457	5,966	108	3,275	3,182	103	3,047	107	12,213
Operating expenses	2,610	2,649	99	1,288	1,322	97	1,301	99	5,473
Goodwill impairment charges	-	-	-	-	-	-	-	-	3,559
Profit before loan impairment charges	3,847	3,317	116	1,988	1,860	107	1,746	114	3,181
Loan impairment charges	-103	504	-	-194	91	-	205	-	1,007
Profit before tax	3,950	2,813	140	2,182	1,769	123	1,541	142	2,174
Profit before tax and goodwill impairment charges	3,950	2,813	140	2,182	1,769	123	1,541	142	5,733
Loans, excluding reverse trans. before impairments	651,572	630,075	103	651,572	644,031	101	630,075	103	633,746
Allowance account, loans	19,668	22,630	87	19,668	20,909	94	22,630	87	21,211
Deposits, excluding repo deposits	258,517	255,999	101	258,517	262,206	99	255,999	101	259,770
Bonds issued by Realkredit Danmark	297,092	296,442	100	297,092	300,035	99	296,442	100	294,661
Allowance account, guarantees	300	340	88	300	291	103	340	88	281
Allocated capital (average)	37,475	43,043	87	37,162	37,791	98	43,151	86	42,084
Net interest income as % p.a. of loans and deposits	1.02	1.01		1.04	1.00		1.06		1.03
Profit before loan impairment charges as % p.a. of allocated capital before goodwill impairment charges	20.5	15.4		21.4	19.7		16.2		15.9
Profit before tax as % p.a. of allocated capital (ROE) before goodwill impairment charges	21.1	13.1		23.5	18.7		14.3		13.5
Cost/income ratio before goodwill impairment charges (%)	40.4	44.4		39.3	41.5		42.7		44.8
Full-time-equivalent staff	3,065	3,735	82	3,065	3,115	98	3,735	82	3,663

*Operational leasing, excluding property leasing, is presented on a net basis under Other income.

Note 2 and Fact Book Q2 2015 provide financial highlights at the country level for Business Banking. Fact Book Q2 2015 is available at danske-bank.com/ir.

First half 2015 vs first half 2014

Business Banking's return on allocated capital improved from 15.4% in the first half of 2014 to 20.5%, mainly because of an improvement in total income that was driven by increased activity as well as lower impairments.

Total income rose 8%, with all income lines showing gains. Net interest income grew because of strong lending growth, which more than offset the adverse effect of low interest rates on deposit margins. Mitigating actions helped compensate for the effects of the low rates.

Net fee income rose 12%, benefiting from cross sales, high mortgage refinancing activity caused by the low interest rates, and higher activity generally.

Net trading income was up 40%, primarily because of higher mortgage refinancing income and positive fair value adjustments of the bond portfolio at Realkredit Danmark.

Operating expenses were flat.

Credit exposure

Net credit exposure amounted to DKK 765 billion at the end of June 2015, against DKK 711 billion at the end of 2014.

(DKK millions)	Net credit exposure		Impairments
	30 June 2015	31 Dec. 2014	(ann.)(%) 30 June 2015
Denmark*	433,089	402,035	0.02
Finland	67,130	63,422	0.32
Sweden	136,666	123,229	0.05
Norway	72,412	64,779	-0.04
Northern Ireland	37,744	30,946	-1.49
Baltics	17,628	26,802	-0.36
Other	7	5	-
Total	764,675	711,219	-0.03

* Including deposits with credit institutions and central banks, which increased DKK 22 billion from the level at the end of 2014.

Credit quality improving

Our ongoing efforts to improve credit quality in the wake of the financial crisis, combined with more stable conditions in most markets, led to customer rating upgrades and a reduction of impairments.

Impairments showed a net reversal of DKK 103 million in the first half of 2015, against charges of DKK 504 million a year earlier. The reversals occurred mainly in the commercial property segments in Denmark and Northern Ireland.

The outlook for the Danish agricultural sector remained weak in the first half of the year, which we have provided for in our allowance account.

Q2 2015 vs Q1 2015

Profit before tax amounted to DKK 2.2 billion in the second quarter of 2015, and the return on allocated capital increased from 18.7% to 23.5%, primarily because of an improved top line, declining impairments and lower expenses.

Total income rose mainly on increased activity and business volume.

Net interest income rose 4% owing to increased bank lending volumes and one more day in the second quarter.

Net fee income was flat.

Net trading income was up because of higher mortgage refinancing income.

Operating expenses fell 3% as a result of continued efficiency gains.

Impairments amounted to net reversals in the second quarter.

Corporates & Institutions

In the first half of 2015, profit before tax rose 58% above the level a year earlier as a result of increased client activity and lower impairments. Operating expenses fell mainly because of cost efficiency gains.

CORPORATES & INSTITUTIONS (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Net interest income	1,363	1,288	106	703	660	106	689	102	2,717
Net fee income	1,156	1,033	112	580	577	100	519	112	2,205
Net trading income*	2,973	2,212	134	1,240	1,732	72	992	125	4,192
Other income	2	3	88	-	2	-	2	-	7
Total income	5,494	4,535	121	2,523	2,971	85	2,201	115	9,121
Operating expenses	2,284	2,303	99	1,126	1,158	97	1,177	96	4,614
Profit before loan impairment charges	3,210	2,232	144	1,398	1,813	77	1,024	136	4,507
Loan impairment charges	11	210	5	-153	164	-	205	-	372
Profit before tax	3,199	2,022	158	1,551	1,649	94	819	189	4,135
Loans, excluding reverse trans. before impairments	179,160	167,608	107	179,160	189,735	94	167,608	107	172,393
Allowance account, loans	2,758	2,556	108	2,758	3,193	86	2,556	108	2,782
Allowance account, credit institutions	67	125	54	67	91	74	125	54	91
Deposits, excluding repo deposits	229,522	171,033	134	229,522	229,998	100	171,033	134	174,221
Bonds issued by Realkredit Danmark	22,818	24,136	95	22,818	22,933	99	24,136	95	23,636
Allowance account, guarantees	239	305	78	239	270	89	289	83	285
Allocated capital (average)	38,259	38,557	99	38,455	38,061	101	38,393	100	37,789
Net interest income as % p.a. of loans and deposits	0.67	0.77		0.69	0.63		0.82		0.79
Profit before loan impairment charges as % p.a. of allocated capital	16.8	11.6		14.5	19.1		10.7		11.9
Profit before tax as % p.a. of allocated capital (ROE)	16.7	10.5		16.1	17.3		8.5		10.9
Cost/income ratio (%)	41.6	50.8		44.6	39.0		53.5		50.6
Full-time-equivalent staff	1,832	1,543	119	1,832	1,826	100	1,543	119	1,646

TOTAL INCOME (DKK millions)									
FICC	2,433	1,686	144	1,014	1,419	71	761	133	3,196
Capital Markets	894	792	113	391	503	78	363	108	1,650
General Banking	2,167	2,057	105	1,118	1,049	107	1,077	104	4,275
Total income	5,494	4,535	121	2,523	2,971	85	2,201	115	9,121

* All income from FICC and trading income in Capital Markets is presented under Net trading income.

First half 2015 vs. first half 2014

At DKK 3.2 billion, profit before tax was up 58% from the level in the first half of 2014. The main reasons were an increase in net trading income from higher client activity owing to the volatile financial markets and lower impairments. The return on allocated capital rose 6.2 percentage points to 16.7%.

General Banking income rose 5%, mainly because of higher net interest income driven by increased lending volumes and margins.

At Capital Markets, income from corporate finance activities continued to rise owing to strong growth in client activity. Our investments in the equity franchise also benefited income. Income from Debt Capital Markets remained solid at the same level as in the year-earlier period.

Fixed Income, Currencies and Commodities (FICC) benefited from increased client activity owing to the volatile markets especially during the first quarter of 2015. Income was adversely affected by improvements in the model for credit value adjustments (CVA), however.

Operating expenses were flat. Cost efficiency gains offset the higher performance-based compensation accrued as a result of our strong performance in the first quarter.

Loan impairments were significantly down from the level in the same period of 2014. Impairments in the first half of 2015 included both reversals and new impairments for a small number of clients.

Credit exposure

The loan portfolio quality at Corporates & Institutions is considered to be strong. At 30 June 2015, total credit exposure from lending activities, including repo transactions, amounted to DKK 775 billion. The total portfolio rose 9% from the level at year-end 2014. The rise was caused mainly by increased exposure to sovereigns as deposits with central banks increased on the basis of the substantial inflow of liquidity into the Danish financial system. Exposure to financial institutions declined, while exposure to corporate clients remained more or less at the level at year-end 2014.

Impairments have fluctuated over the past quarters and are expected to continue to do so quarter-on-quarter given Corporates & Institutions' activities. In the first half of 2015, total impairments for Corporates & Institutions amounted to DKK 11 million, reflecting reversals of impairments previously made.

Accumulated impairments (the allowance account) totalled DKK 3.1 billion and related to a small number of corporate clients.

	Net credit exposure		Impairments
	30 June 2015	31 Dec. 2014	(ann.)(%) 30 June 2015
(DKK millions)			
Sovereign	164,191	54,130	-
Financial Institutions	275,425	342,672	-0.01
Corporate	335,238	315,336	0.01
Other	36	98	-
Total	774,889	712,236	-

The sovereign portfolio consists primarily of exposures to the stable, highly-rated Nordic sovereigns and to central banks. Most of the exposure to financial institutions consists of repo lending facilities. The corporate portfolio is diverse, consisting mainly of large companies based in the Nordic countries and large international clients with activities in the Nordic region.

Q2 2015 vs. Q1 2015

Profit before tax fell 6% from the first quarter of 2015, mainly because of lower net trading income.

General Banking income increased 7% owing primarily to repricing of deposits.

At Capital Markets, corporate finance saw a strong increase in activity. Equity-related services maintained the level from the first quarter, while bond issuance fell because of seasonality.

At FICC, client activity remained strong, but income was adversely affected by the lack of clear trends in the markets in the second quarter.

Operating expenses fell 3%. The decrease came from cost savings and lower accruals for performance-based compensation.

The change in loan impairments in the second quarter was owing mainly to reversals.

Danske Capital

Profit before tax rose 25% from the level in the first half of 2014 because of higher assets under management. At the end of June 2015, assets under management amounted to DKK 803 billion, up DKK 8 billion since year-end 2014.

DANSKE CAPITAL (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Net interest income	-3	1	-	-1	-2	-	1	-	2
Net fee income	1,150	1,023	112	583	567	103	529	110	2,402
Other income	1	-1	-	-1	2	-	-	-	1
Total income	1,148	1,023	112	581	567	102	530	110	2,405
Operating expenses	477	488	98	233	244	95	260	90	999
Profit before tax	671	535	125	349	323	108	270	129	1,406
Loans, excluding reverse trans. before impairments	124	332	37	124	101	123	332	37	340
Deposits, excluding repo deposits	263	254	103	263	196	134	254	103	132
Allocated capital (average)	2,628	2,576	102	2,631	2,625	100	2,572	101	2,567
Cost/income ratio (%)	41.6	47.7		40.1	43.0		49.1		41.5
Assets under management (DKK billions)	803	770	104	803	813	99	770	104	795

BREAKDOWN OF NET FEE INCOME (DKK millions)									
Performance fees	33	28	118	19	14	136	8	238	328
Other fee income	1,115	995	112	562	553	102	521	108	2,074
Total net fee income	1,148	1,023	112	581	567	102	529	110	2,402

First half 2015 vs first half 2014

Total income rose 12%, from DKK 1.0 billion to DKK 1.1 billion. The increase came from higher assets under management (up 8% on average) and a marginal rise in margins (excluding performance fees) from 0.26% to 0.27% driven by improvements in both product mix and client mix.

Assets under management amounted to DKK 803 billion at the end of June 2015, up DKK 33 billion from the level a year earlier. The rise reflected net sales in the past 12 months of DKK 38 billion composed of retail sales of DKK 16 billion resulting from closer cooperation with Personal Banking and Business Banking and net sales to institutional clients of DKK 22 billion. Clients outside Denmark accounted for 33% of the net sales. A new investment strategy at Danica Pension caused a transfer of DKK 37 billion in assets to Danica Pension, whereas gains on securities added DKK 32 billion to assets under management.

Net sales to institutional clients of DKK 22 billion included the launch of a private equity fund of funds, for which Danske Private Equity raised assets of DKK 4.4 billion. The fund is the largest private equity fund of funds launched this year globally and the fifth-largest fund of funds launched in the past two years. In the first half of 2015, Danske Capital continued to increase its offering within alternative investments and hedge funds. Assets under management in these funds rose from DKK 53 billion at the end of 2014 to DKK 62 billion at the end of June 2015, which equals a rise of 17%. Danske Capital

also improved its market positions in Norway and Sweden, with net sales of DKK 5 billion in Norway and DKK 4 billion in Sweden in the first half of 2015.

In the first half of the year, Danske Capital's market share of net sales in the Norwegian fund market was 20.4%, against 9.7%, and its share in Sweden was 10.1%, against 6.7%.

% OF INVESTMENT PRODUCTS (GIPS COMPOSITES) WITH ABOVE BENCHMARK RETURNS (PRE-COSTS)	2015	Past 36 months
	All funds	68
Equity funds	67	67
Fixed-income funds	59	82
Balanced funds, etc.	94	56

In the first half of 2015, 68% of all Danske Capital investment products generated above-benchmark returns.

Q2 2015 vs Q1 2015

Total income, excluding performance fees, rose 2% above the level in the first quarter to DKK 0.6 billion. Performance fees of DKK 19 million in the second quarter related to clients with quarterly payments.

Net sales of DKK 12 billion in the second quarter consisted of net sales to retail clients of DKK 5 billion and net sales to institutional clients of DKK 7 billion.

Expenses fell 5% because of lower staff costs.

Danica Pension

Net income from insurance business rose DKK 183 million, mainly because of a higher investment return. Customers with *Danica Traditionel* benefited from the positive investment result, and the risk allowance could be booked to income in full for all four interest rate groups, as opposed to three groups last year.

DANICA PENSION (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Danica Traditionel	672	710	95	339	333	102	453	75	1,353
Unit-linked business	300	302	99	147	153	96	155	95	573
Health and accident business	-81	-128	-	-45	-36	-	-96	-	-302
Result from insurance business	891	884	101	441	450	98	512	86	1,624
Return on investments	290	249	116	-70	360	-	146	-	459
Financing result	-29	-74	-	-17	-12	-	-25	-	-116
Special allotment	-42	-51	-	-21	-21	-	-27	-	-82
Change in shadow account	-	-82	-	-	-	-	-30	-	611
Net income from insurance business	1,110	927	120	333	777	43	576	58	2,496
Premiums, insurance contracts	10,671	10,967	97	5,031	5,640	89	5,062	99	20,693
Premiums, investment contracts	4,804	3,397	141	2,091	2,713	77	1,457	144	6,129
Provisions, insurance contracts	279,761	270,913	103	279,761	292,610	96	270,913	103	277,807
Provisions, investment contracts	43,656	37,490	116	43,656	43,515	100	37,490	116	33,580
Customer funds, investment assets									
Danica Traditionel	166,774	173,413	96	166,774	181,220	92	173,413	96	176,505
Danica Balance	78,865	65,808	120	78,865	77,599	102	65,808	120	70,711
Danica Link	74,115	65,451	113	74,115	74,717	99	65,451	113	66,417
Allocated capital (average)	12,051	11,941	101	12,147	11,954	102	11,796	103	11,974
Net income as % p.a. of allocated capital	18.4	15.5		11.0	26.0		19.5		20.8

First half 2015 vs first half 2014

Total premiums rose 8% to DKK 15.5 billion driven by a 13% increase in premiums for the unit-linked products, while premiums for *Danica Traditional* were 15% lower.

At the end of June 2015, the collective bonus potential for the contribution groups was DKK 4.2 billion, up DKK 1.8 billion from the level at 1 January 2015.

Income

Net income from insurance business was DKK 1.1 billion, against DKK 0.9 billion in the first half of 2014. The booking of the full risk allowance for all four interest rate groups had a positive effect, as did the high investment income. In the first half of 2014, the Group booked the risk allowance for three of the four interest rate groups.

The technical result of *Danica Traditional* was DKK 672 million, against DKK 710 million in the first half of 2014. The fall was impacted by the transfer of business from *Danica Traditional* to the unit-linked business.

The technical result of the unit-linked business was DKK 300 million, the same level as in the first half of 2014. The result was influenced by increased costs and lower expense supplements. Unit-linked business accounted for DKK 36 million in Sweden and DKK 47 million in Norway.

The health and accident business posted a technical result of a negative DKK 81 million, against a negative DKK 128 million in the first half of 2014. The improvement was due to an additional provision in the first half of 2014.

The return on investments rose to DKK 290 million, against DKK 249 million in the first half of 2014. The rise was driven by the interest rate development and rising share prices.

Investment return on customer funds

The return on investments for customers with the *Danica Balance*, *Danica Link* and *Danica Select* unit-linked products was DKK 5.1 billion, or 5.4%, while the return on investments of *Danica Traditional* customer funds was a negative DKK 0.3 billion, or a negative 0.3%. Including changes in technical provisions, the return on customer funds was 3.0%.

Q2 2015 vs Q1 2015

In the second quarter of 2015, net income from insurance business amounted to DKK 0.3 billion, against DKK 0.8 billion in the first quarter. The fall occurred because of lower investment returns.

The technical result of the unit-linked business was at the same level as in the first quarter.

The return on investments of *Danica Traditional* customer funds was a negative 5.9%, against a positive 5.9% in the first quarter. Including changes in technical provisions, the return on customer funds was a negative 0.9%.

The return on investments for customers with *Danica Balance*, *Danica Link* and *Danica Select* totalled a negative DKK 2.5 billion, or an average rate of return of a negative 2.3%, against 7.9% in the first quarter.

In Denmark, total premiums fell 13% to DKK 4.6 billion. Total premiums for all markets fell 15% and amounted to DKK 7.1 billion. This was as expected, since the first quarter always produces higher premiums.

Non-core

Profit before tax for the first half of 2015 rose DKK 0.8 billion over the level the year before. The improvement was driven by a reversal of impairments owing mainly to better conditions in the property market.

NON-CORE (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Total income	106	110	96	52	54	96	62	84	209
Operating expenses	213	524	41	113	100	113	147	77	782
Profit before loan impairment charges	-107	-414	-	-61	-46	-	-85	-	-573
Loan impairment charges	-137	380	-	-1	-136	-	77	-	930
Profit before tax	30	-794	-	-60	90	-	-162	-	-1,503
Loans, excluding reverse trans. before impairments	35,187	46,847	75	35,187	44,559	79	46,847	75	37,462
Allowance account, loans	5,040	11,026	46	5,040	7,705	65	11,026	46	7,853
Deposits, excluding repo deposits	5,525	7,497	74	5,525	6,719	82	7,497	74	4,331
Allowance account, guarantees	39	92	42	39	74	53	92	42	59
Allocated capital (average)	7,506	8,875	85	5,864	9,167	64	8,609	68	8,420
Net interest income as % p.a. of loans and deposits	0.51	0.42		0.48	0.44		0.54		0.55
Profit before loan impairment charges as % p.a. of allocated capital	-2.9	-9.3		-4.2	-2.0		-3.9		-6.8
Profit before tax as % p.a. of allocated capital (ROE)	0.8	-17.9		-4.1	3.9		-7.5		-17.9
Cost/income ratio (%)	200.9	476.4	42	217.3	185.2	117	237.1	92	374.2
Full-time-equivalent staff	393	146	269	393	428	92	146	269	75

LOAN IMPAIRMENT CHARGES (DKK millions)									
Non-core banking*	-132	191	-	-2	-130	-	74	-	733
Non-core conduits etc.	-5	189	-	1	-6	-	3	-	197
Total	-137	380	-	-1	-136	-	77	-	930

*Non-core banking encompasses Non-core Baltics (personal customers in the Baltics) and Non-core Ireland. Non-core Baltics is included in Non-core banking from 1 January 2015. Comparative figures for 2014 have not been restated.

First half 2015 vs first half 2014

Profit before tax was DKK 30 million, against a loss of DKK 0.8 billion in the first half of 2014, with the increase being caused mainly by a decline in impairments.

Operating expenses were lower because the first half of 2014 was affected by settlement of an agreement on life insurance products in the Baltics.

Total lending, which amounted to DKK 35.2 billion, consisted mainly of exposure to personal mortgages and conduits. Personal mortgages in the Baltics and Ireland will mature according to contractual terms.

(DKK millions)	Net credit exposure		Accumulated impairment charges	
	30 June 2015	31 Dec. 2014	30 June 2015	31 Dec 2014
Non-core banking	27,944	20,222	4,468	7,643
- of which Personal customers	25,570	17,351	3,103	3,024
Non-core conduits etc.	8,750	11,104	611	269
Total	36,694	31,326	5,079	7,912

Deleveraging is proceeding according to plan. The SME portfolio in Ireland was sold during the first half of 2015. At the end of June 2015, some 2,783 of the 3,746 properties in the commercial portfolio had also been sold, and sales of a further 405 properties have been agreed. These sales will be closed in the second half of 2015.

The Non-core conduits portfolio amounted to DKK 8.7 billion, against DKK 11.6 billion in the first half of 2014. The portfolio consists mainly of liquidity facilities for conduits. The credit quality of the portfolio remained stable.

Total impairments improved to a net reversal of DKK 0.1 billion, against charges of DKK 0.4 billion for the first half of 2014. This development was driven by reversals of previously made impairments in Ireland because of the improved property market.

Q2 2015 vs Q1 2015

Profit before tax amounted to a negative DKK 60 million, down from DKK 90 million in the first quarter. The first-quarter result was positively affected by higher net reversals of loan impairment charges.

Other Activities

Lower net trading income drove a decline in profit before tax. In the first half of 2014, net trading income was positively impacted by the sale of our shares in Nets.

OTHER ACTIVITIES (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Net interest income	202	-165	-	170	32	-	-21	-	-148
Net fee income	-46	-51	-	-25	-21	-	-39	-	-102
Net trading income	410	1,310	31	-90	499	-	1,027	-	1,140
Other income	186	76	245	152	35	-	39	-	189
Total income	752	1,170	64	207	545	38	1,006	21	1,079
Operating expenses	156	303	51	71	85	84	225	32	930
Profit before loan impairment charges	596	867	69	136	460	30	781	17	149
Loan impairment charges	1	-	-	-	1	-	-	-	-2
Profit before tax	595	867	69	136	459	30	781	17	151

PROFIT BEFORE TAX (DKK millions)	First half 2015	First half 2014	Index 15/14	Q2 2015	Q1 2015	Index Q2/Q1	Q2 2014	Index 15/14	Full year 2014
Group Treasury	447	1,183	38	-41	488	-	923	-	1,010
Own shares	-177	-129	-	-78	-99	-	-12	-	-196
Group support functions	325	-187	-	255	70	-	-130	-	-663
Total Other Activities	595	867	69	136	459	30	781	17	151

Other Activities includes Group Treasury, Group support functions and eliminations, including the elimination of returns on own shares. Group Treasury is responsible for the Group's liquidity management and funding.

First half 2015 vs first half 2014

Other Activities posted a profit before tax of DKK 595 million, against DKK 867 million in the first half of 2014.

The decline in interest rates caused an increase in the return on the liquidity portfolio and thus in net trading income at Other Activities. In the first half of 2014, net trading income benefited from the additional positive effect relating to the sale of the shares in Nets.

Other income amounted to DKK 186 million, against DKK 76 million in the first half of 2014. The increase was owing to a refund of payroll tax paid in previous years.

Operating expenses were lower because of property write-downs in the first half of 2014.

Q2 2015 vs Q1 2015

In the second quarter of 2015, profit before tax was DKK 136 million, against DKK 459 million in the first quarter.

Net interest income amounted to DKK 170 million, against DKK 32 million. The increase was owing partly to interest on a refund of payroll tax.

Net trading income amounted to a negative DKK 90 million, against DKK 499 million in the first quarter, mainly because of unrealised negative value adjustments of the portfolio of short-dated mortgage bonds in the second quarter. The first quarter benefited from positive fair value adjustments.

Income statement – Danske Bank Group

Note	(DKK millions)	First half 2015	First half 2014	Q2 2015	Q2 2014	Full year 2014
	Interest income	30,769	33,365	15,058	16,565	66,951
	Interest expense	13,742	16,974	6,428	8,169	32,344
	Net interest income	17,026	16,391	8,629	8,396	34,607
	Fee income	7,825	6,968	3,939	3,482	14,585
	Fee expenses	2,415	2,295	1,267	1,221	4,771
3	Net trading income	6,519	7,670	-4,920	5,366	9,854
	Other income	2,660	1,445	1,781	910	4,547
	Net premiums	10,599	10,911	5,061	5,107	20,631
	Net insurance benefits	17,739	18,101	1,584	9,924	33,024
	Operating expenses	12,152	12,627	6,046	6,275	25,642
	Goodwill impairment charges	-	-	-	-	9,099
4	Profit before loan impairment charges	12,322	10,362	5,594	5,842	11,687
	Loan impairment charges	146	1,647	-220	703	3,718
	Profit before tax	12,176	8,715	5,814	5,139	7,969
	Tax	2,757	1,791	1,346	986	4,020
	Net profit for the period	9,419	6,924	4,468	4,153	3,948
	Portion attributable to					
	shareholders of Danske Bank A/S (the Parent Company)	9,140	6,824	4,307	4,071	3,687
	additional tier 1 capital holders	279	98	161	80	259
	non-controlling interests	-	2	-	2	2
	Net profit for the period	9,419	6,924	4,468	4,153	3,948
	Earnings per share (DKK)	9.2	6.9	4.4	4.1	3.8
	Diluted earnings per share (DKK)	9.2	6.8	4.4	4.1	3.8
	Proposed dividend per share (DKK)	-	-	-	-	5.5

Statement of comprehensive income – Danske Bank Group

(DKK millions)	First half 2015	First half 2014	Q2 2015	Q2 2014	Full year 2014
Net profit for the period	9,419	6,924	4,468	4,153	3,949
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit plans	289	-32	258	66	157
Tax	-27	30	-35	17	-9
Items that will not be reclassified to profit or loss	262	-2	223	83	148
Items that are or may be reclassified subsequently to profit or loss					
Translation of units outside Denmark	1,038	395	79	249	527
Hedging of units outside Denmark	-1,166	-380	-95	-257	-549
Unrealised value adjustments of available-for-sale financial assets	-1	165	-41	-14	283
Realised value adjustments of available-for-sale financial assets	-36	-10	-	-6	-37
Tax	233	33	23	55	43
Items that are or may be reclassified subsequently to profit or loss	68	203	-34	27	267
Total other comprehensive income	330	201	189	110	415
Total comprehensive income for the period	9,749	7,125	4,657	4,263	4,364
Portion attributable to					
shareholders of Danske Bank A/S (the Parent Company)	9,470	7,025	4,496	4,181	4,103
additional tier 1 capital holders	279	98	161	80	259
non-controlling interests	-	2	-	2	2
Total comprehensive income for the period	9,749	7,125	4,657	4,263	4,364

Balance sheet – Danske Bank Group

Note	(DKK millions)	30 June 2015	31 December 2014	30 June 2014
	ASSETS			
	Cash in hand and demand deposits with central banks	125,965	33,876	40,284
	Due from credit institutions and central banks	185,277	112,760	114,587
	Trading portfolio assets	596,740	742,513	696,501
	Investment securities	330,926	330,994	207,171
	Loans at amortised cost	1,068,246	1,092,902	1,084,773
	Loans at fair value	737,370	741,609	740,197
	Assets under pooled schemes and unit-linked investment contracts	90,081	80,148	78,480
	Assets under insurance contracts	269,214	268,450	259,052
	Intangible assets	11,148	11,253	20,542
	Tax assets	3,825	1,543	1,253
6	Other assets	33,421	36,966	30,646
	Total assets	3,452,213	3,453,015	3,273,485
	LIABILITIES			
	Due to credit institutions and central banks	312,871	329,048	289,065
	Trading portfolio liabilities	485,838	550,629	407,457
	Deposits	984,409	966,197	1,023,307
	Bonds issued by Realkredit Danmark	691,544	655,965	648,068
	Deposits under pooled schemes and unit-linked investment contracts	95,432	86,433	85,899
	Liabilities under insurance contracts	288,658	288,352	276,156
5	Other issued bonds	345,532	330,207	297,571
	Tax liabilities	8,430	8,647	8,880
6	Other liabilities	42,598	44,126	40,850
5	Subordinated debt	36,846	41,028	41,094
	Total liabilities	3,292,158	3,300,632	3,118,347
	EQUITY			
	Share capital	10,086	10,086	10,086
	Foreign currency translation reserve	-605	-477	-262
	Reserve for available-for-sale financial assets	-353	-316	-407
	Retained earnings	139,587	131,868	140,053
	Proposed dividends	-	5,547	-
	Shareholders of Danske Bank A/S (the Parent Company)	148,715	146,708	149,470
5	Additional tier 1 capital holders	11,340	5,673	5,666
	Non-controlling interests	-	2	2
	Total equity	160,055	152,384	155,138
	Total liabilities and equity	3,452,213	3,453,015	3,273,485

Statement of capital – Danske Bank Group

[DKK millions]

Changes in equity

	Shareholders of Danske Bank A/S (the Parent Company)								Total
	Share capital	Foreign currency translation reserve	Reserve for available-for-sale assets	Retained earnings	Proposed dividends	Total	Additional tier 1 capital	Non-controlling interests	
Total equity at 1 January 2015	10,086	-477	-316	132,605	5,547	147,445	5,673	2	153,120
Changed recognition of pension scheme	-	-	-	-736	-	-736	-	-	-736
Restated total equity at 1 January 2015	10,086	-477	-316	131,869	5,547	146,709	5,673	2	152,384
Net profit for the period	-	-	-	9,140	-	9,140	279	-	9,419
Other comprehensive income									
Remeasurement of defined benefit plans	-	-	-	289	-	289	-	-	289
Translation of units outside Denmark	-	1,038	-	-	-	1,038	-	-	1,038
Hedging of units outside Denmark	-	-1,166	-	-	-	-1,166	-	-	-1,166
Unrealised value adjustments	-	-	-1	-	-	-1	-	-	-1
Realised value adjustments	-	-	-36	-	-	-36	-	-	-36
Tax	-	-	-	206	-	206	-	-	206
Total other comprehensive income	-	-128	-37	495	-	330	-	-	330
Total comprehensive income for the period	-	-128	-37	9,635	-	9,470	279	-	9,749
Transactions with owners									
Issuance of additional tier 1 capital, net of transaction costs	-	-	-	-56	-	-56	5,583	-	5,527
Paid interest on additional tier 1 capital	-	-	-	-	-	-	-161	-	-161
Dividends paid	-	-	-	53	-5,547	-5,494	-	-2	-5,496
Acquisition of own shares and additional tier 1 capital	-	-	-	-18,372	-	-18,372	-34	-	-18,406
Sale of own shares and additional tier 1 capital	-	-	-	16,424	-	16,424	-	-	16,424
Share-based payments	-	-	-	-	-	-	-	-	-
Tax	-	-	-	34	-	34	-	-	34
Total equity at 30 June 2015	10,086	-605	-353	139,587	-	148,715	11,340	-	160,055

On 30 March 2015, the Group initiated a share buy-back programme of DKK 5 billion, which may run until 31 December 2015. At the end of June 2015, the Group had acquired 9,765,000 shares for a total amount of DKK 1,900 million under the share buy-back programme based on trade date.

Statement of capital – Danske Bank Group

[DKK millions]

Changes in equity	Shareholders of Danske Bank A/S (the Parent Company)								
	Share capital	Foreign currency translation reserve	Reserve for available-for-sale assets	Retained earnings	Proposed dividends	Total	Additional tier 1 capital	Non-controlling interests	Total
Total equity at 1 January 2014	10,086	-277	-562	134,393	2,017	145,657	-	-	145,657
Changed recognition of pension scheme	-	-	-	-839	-	-839	-	-	-839
Restated total equity at 1 January 2014	10,086	-277	-562	133,554	2,017	144,818	-	-	144,818
Net profit for the period	-	-	-	6,824	-	6,824	98	2	6,924
Other comprehensive income									
Remeasurement of defined benefit plans	-	-	-	-32	-	-32	-	-	-32
Translation of units outside Denmark	-	395	-	-	-	395	-	-	395
Hedging of units outside Denmark	-	-380	-	-	-	-380	-	-	-380
Unrealised value adjustments	-	-	165	-	-	165	-	-	165
Realised value adjustments	-	-	-10	-	-	-10	-	-	-10
Tax	-	-	-	63	-	63	-	-	63
Total other comprehensive income	-	15	155	31	-	201	-	-	201
Total comprehensive income for the period	-	15	155	6,855	-	7,025	98	2	7,125
Transactions with owners									
Issuance of additional tier 1 capital, net of transaction costs	-	-	-	-59	-	-59	5,597	-	5,538
Paid interest on additional tier 1 capital	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	17	-2,017	-2,000	-	-	-2,000
Acquisition of own shares and additional tier 1 capital	-	-	-	-15,571	-	-15,571	-40	-	-15,611
Sale of own shares and additional tier 1 capital	-	-	-	15,231	-	15,231	11	-	15,242
Share-based payments	-	-	-	-	-	-	-	-	-
Tax	-	-	-	26	-	26	-	-	26
Total equity at 30 June 2014	10,086	-262	-407	140,053	-	149,470	5,666	2	155,138

Statement of capital – Danske Bank Group

(DKK millions)	30 June 2015	31 December 2014
Share capital (DKK)	10,086,200,000	10,086,200,000
Number of shares	1,008,620,000	1,008,620,000
Number of shares outstanding	989,916,332	999,390,566
Average number of shares outstanding for the period	996,043,351	999,514,301
Average number of shares outstanding, including dilutive shares, for the period	998,108,217	1,000,572,309
Total capital and total capital ratio		
Total equity	160,055	152,384
Revaluation of domicile property at fair value	1,012	1,013
Tax effect	-182	-209
Reserves in undertakings consolidated on a pro rata basis	3,002	3,002
Total equity calculated in accordance with the rules of the Danish FSA	163,887	156,190
Additional tier 1 capital instruments included in total equity	-11,157	-5,597
Accrued interest on additional tier 1 capital instruments	-195	-77
Tax on accrued interest on additional tier 1 capital instruments	46	17
Common equity tier 1 capital instruments	152,581	150,533
Adjustment to eligible capital instruments	-3,413	-117
Prudential filters	-491	-315
Expected/proposed dividends	-4,700	-5,547
Intangible assets of banking operations	-11,062	-11,169
Deferred tax on intangible assets	328	372
Deferred tax assets that rely on future profitability excluding temporary differences	-241	-465
Defined benefit pension fund assets	-720	-317
Statutory deduction for insurance subsidiaries	-4,051	-1,850
Other statutory deductions	-237	-722
Common equity tier 1 capital	127,996	130,403
Additional tier 1 capital instruments	22,209	17,434
Statutory deduction for insurance subsidiaries	-3,038	-3,701
Other statutory deductions	-7	-10
Tier 1 capital	147,160	144,126
Tier 2 capital instruments	23,208	26,310
Statutory deduction for insurance subsidiaries	-3,038	-3,701
Other statutory deductions	-7	-10
Total capital	167,323	166,725
Total risk exposure amount	892,429	865,086
Common equity tier 1 capital ratio (%)	14.3	15.1
Tier 1 capital ratio (%)	16.5	16.7
Total capital ratio (%)	18.7	19.3

Total capital and the total risk exposure amount are calculated in accordance with the rules applicable under CRR, taking transitional rules into account as stipulated by the Danish Financial Supervisory Authority. A new filter will be introduced for deduction from common equity tier 1 capital of additional value adjustments of assets and liabilities measured at fair value (prudent valuation). The European Banking Authority (EBA) has submitted its final standard for adoption by the European Commission. Adoption is still pending but is expected in the near future. The final stipulations of the standard are expected to lead to a further reduction in common equity tier 1 capital of DKK 1.2 billion.

The risk exposure amount calculated under the Basel I rules amounted to DKK 1,455,297 million at 30 June 2015 (31 December 2014: DKK 1,398,421 million). The capital need under the transitional rules was DKK 93,139 million, equal to 10.4% of the risk exposure amount under the Basel I rules (31 December 2014: DKK 89,499 million).

The Internal Capital Adequacy Assessment report provides more details about Danske Bank's solvency need. The report is available at danskebank.com/reports.

Cash flow statement – Danske Bank Group

(DKK millions)	First half 2015	First half 2014	Full year 2014
Cash flow from operations			
Profit before tax	12,176	8,715	7,969
Tax paid	-4,751	-1,255	-4,095
Adjustment for non-cash operating items	-1,482	1,579	15,027
Total	5,943	9,039	18,901
Changes in operating capital			
Amounts due to/from credit institutions and central banks	-14,387	-23,595	14,960
Trading portfolio	80,983	-28,504	68,656
Other financial instruments	-7,459	-46,170	-172,309
Loans at amortised cost	24,510	2,309	-7,879
Loans at fair value	4,239	-12,116	-13,528
Deposits	18,214	79,406	22,294
Bonds issued by Realkredit Danmark	35,579	33,872	41,769
Assets/liabilities under insurance contracts	579	168	2,964
Other assets/liabilities	25,815	-12,278	16,879
Cash flow from operations	174,016	2,131	-7,293
Cash flow from investing activities			
Acquisition/sale of own shares and additional tier 1 capital	-148	-368	-325
Acquisition of intangible assets	-263	-292	-418
Acquisition/sale of tangible assets	-30	17	99
Cash flow from investing activities	-441	-643	-644
Cash flow from financing activities			
Changes in subordinated debt and hybrid capital	-5,212	-25,326	-25,378
Dividends	-5,494	-2,000	-2,000
Share buy back programme*	-1,834	-	-
Issued additional tier 1 capital	5,526	5,541	5,539
Paid interest on additional tier 1 capital	-161	-	-183
Change in non-controlling interests	-2	2	2
Cash flow from financing activities	-7,177	-21,783	-22,020
Cash and cash equivalents at 1 January	143,543	173,500	173,500
Change in cash and cash equivalents	166,398	-20,294	-29,957
Cash and cash equivalents, end of period	309,940	153,206	143,543
Cash and cash equivalents end of period			
Cash in hand	10,050	9,701	10,582
Demand deposits with central banks	115,915	30,583	23,294
Amounts due from credit institutions and central banks within three months	183,975	112,921	109,667
Total	309,940	153,206	143,543

*The share buy-back programme is recognised at settlement date.

Notes – Danske Bank Group

(Dkk millions)

1. Significant accounting policies and estimates

(a) General

The Group's interim report for the first six months of 2015 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for listed financial companies.

The accounting for a pension scheme covering current and former employees of Danske Bank held with Danica Pension was changed in second quarter of 2015. In the financial highlights, the presentation of the internal bank at Group Treasury and of brokerage and debt capital market fees has been changed. Further, in the segment reporting, Baltic personal banking customers have been transferred to the Non-core unit.

With the exception of these changes, the Group has not changed its significant accounting policies from those followed in the consolidated financial statements for 2014, which provides a full description of the significant accounting policies.

Financial statement figures are stated in Danish kroner and whole millions, unless otherwise stated. As a result, rounding discrepancies may occur because sum totals have been rounded off and the underlying decimals are not presented to financial statement users.

(b) Changes to accounting policies

Changes to the method of accounting for a pension scheme

The Group has a pension scheme for around 200 current and 1,100 former employees of Danske Bank held with Danica Pension. Danske Bank has guaranteed a real return on policyholders' savings. In continuation of a dialogue with the Danish FSA, Danica Pension changed the accounting treatment in the annual report 2014 from net presentation of the scheme and the financial guarantee to gross presentation with the financial guarantee recognised as an asset at an amount representing the expected payments. This change has reduced shareholders' equity at 1 January 2014 by 839 million for Danske Bank Group. The end-2014 effect is an increase in insurance liabilities of DKK 1,037 million, a reduction of other liabilities of DKK 73 million, a reduction in tax liabilities of DKK 228 million and a reduction of shareholders' equity of DKK 736 million. The net profit for 2014 has been increased by DKK 103 million, comprising an increase in net trading income of DKK 134 million and a decrease in tax of DKK 31 million. For first half of 2014, net profit was increased by DKK 65 million. The change did not affect net profit for Q1 2015. Further information is available at www.danica.dk.

Changes to financial highlights and segment reporting

The liquidity portfolio was transferred from Danske Bank Markets to Group Treasury during the third quarter of 2014. At Danske Bank Markets, the cost of holding the liquidity portfolio was booked under net trading income. At Group Treasury, the cost has been borne by the internal bank and booked under net interest income from 1 January 2015 and the highlights for 2014 have been restated. Further, the restatement covers a change in the disclosure of the internal bank result.

Brokerage and debt capital markets fees have so far been disclosed as net trading income. Income from these services is rightly net fee income and is disclosed as such from 1 January 2015.

We have decided to exit our personal banking operations in the Baltics. Consequently, Baltic personal banking customers have been transferred to the Non-core unit from 1 January 2015.

Comparative figures for 2014 have been restated, except for the transfer of the Baltic personal banking customers as the effect is immaterial.

Notes – Danske Bank Group

(Dkk millions)

(b) Changes to accounting policies continued

The table below shows the effect on the Highlights for first half of 2014 from changes to the accounting for a pension scheme and from other changes to the financial highlights and segment reporting presented on the previous page

Income statement

(DKK millions)	Highlights first half 2014	Pension scheme	Internal Bank	Net fee income	Adjusted highlights first half 2014
Net interest income	11,251	-	-415	-	10,836
Net fee income	4,885	-	-	323	5,207
Net trading income	4,061	-	415	-323	4,152
Other income	674	-	-	-	674
Net income from insurance business	842	85	-	-	927
Total income	21,712	85	-	-	21,797
Operating expenses	11,021	-	-	-	11,021
Goodwill impairments	-	-	-	-	-
Profit before loan impairment charges	10,691	85	-	-	10,776
Loan impairment charges	1,267	-	-	-	1,267
Profit before tax, core	9,424	85	-	-	9,509
Profit before tax, Non-core	-794	-	-	-	-794
Profit before tax	8,630	85	-	-	8,715
Tax	1,771	20	-	-	1,791
Net profit for the period	6,859	65	-	-	6,924

Notes – Danske Bank Group

(c) Significant accounting estimates

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the consolidated financial statements. Those estimates and assumptions are presented in the following sections.

The estimates and assumptions are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values.

Fair value measurement of financial instruments

Significant estimates are not used for measuring the fair value of financial instruments where the value is based on prices quoted in an active market or on generally accepted models employing observable market data.

Measurements of financial instruments that are only to a limited extent based on observable market data, such as the measurement of unlisted shares and certain bonds for which there is no active market, are subject to estimates. The majority of unlisted shares are allocated to insurance contract policyholders, and the policyholders assume most of the risk on the shares. Changes in the fair value of those shares will only to a limited extent affect the Group's net result. For the remaining portfolio of unlisted shares, a 10% increase or decrease in the fair value would amount to DKK 231 million (31 December 2014: DKK 224 million). The estimated fair value of illiquid bonds significantly depends on the credit spread estimate. A credit spread widening of 50bp at 30 June 2015 would have caused the fair value of the bonds to decrease DKK 57 million (31 December 2014: DKK 36 million). The Group makes fair value adjustments to cover changes in counterparty risk (CVA and DVA) on derivatives, bid-offer spreads on the net open position of the portfolio of assets and liabilities with offsetting market risk recognised at mid-market prices, and model risk on level 3 derivatives. At 30 June 2015, the adjustments totalled DKK 1.3 billion (31 December 2014: DKK 1.0 billion) including the adjustment for credit risk on derivatives with customers subject to objective evidence of impairment. Note 30 in the consolidated financial statements for 2014 provides more details.

Measurement of loans

The Group makes impairment charges to account for any impairment of loans that occurs after initial recognition. Impairment charges consist of individual and collective charges and rely on a number of estimates, including identification of loans or portfolios of loans with objective evidence of impairment, expected future cash flows and the value of collateral. The Group determines the need for impairment charges on the basis of the customer's expected ability to repay debt. This ability depends on a number of factors, including the customer's earnings capacity and trends in general economic growth and unemployment. Expectations of deteriorating repayment ability reduce credit quality and lead to downgrading of the customer.

If all customers were downgraded one rating category, collective impairment charges would increase by about DKK 2.9 billion (31 December 2014: DKK 3.2 billion). The losses incurred under non-performing loan agreements depend, among other factors, on the value of collateral received. If the value of collateral decreased 10%, individual impairment charges would increase by about DKK 2.4 billion (31 December 2014: DKK 2.4 billion). The risk management notes provide more details on impairment charges for loans. At 30 June 2015, loans accounted for about 52% of total assets (31 December 2014: 53%).

Measurement of goodwill

Goodwill on acquisition is tested for impairment once a year or more frequently if indications of impairment exist. Impairment testing requires management to estimate the future cash flows. A number of factors affect the value of such cash flows, including discount rates, changes in the money market rates and other macroeconomic conditions, customer behavior and competition. The impairment test conducted in 2014 resulted in goodwill impairment charges of DKK 9.1 billion against the Group's banking units, mainly because of the worsening of the long-term economic outlook and Danske Bank's strategy of being a Nordic universal bank. At 30 June 2015, total goodwill amounted to DKK 9.5 billion (31 December 2014: DKK 9.5 billion) with DKK 4.1 billion (31 December 2014: DKK 4.1 billion) relating to banking units primarily in Personal Banking and Business Banking Finland. Following a continued decrease in interest rates in 2015, the assumptions applied in the impairment test for the banking units in 2014 were updated, but did not reveal further impairment in first half of 2015. Note 18 in the consolidated financial statements for 2014 provides more information about impairment testing and sensitivity to changes in impairment test assumptions.

Measurement of liabilities under insurance contracts

Measurement 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. Assumptions of future mortality rates are based on the Danish FSA's benchmark, while other assumptions are based on data from the Group's own portfolio of insurance contracts. The liabilities also depend on the discount yield curve, which is fixed on the basis of a zero-coupon yield curve estimated on the basis of euro swap market rates to which is added the yield spread between Danish and German government bonds and a mortgage yield curve spread. Note 17 in the consolidated financial statements for 2014 provides more information. If the discount rate were lowered one percentage point, life insurance provisions would increase by DKK 0.1 billion. The risk management notes to the consolidated financial statement for 2014 contain more information about sensitivity analyses.

Notes – Danske Bank Group

(c) Significant accounting estimates continued

Recognition of deferred tax assets

Recognition of deferred tax requires management to assess the probability and amount of future profit. Deferred tax assets arising from unused tax losses are recognised to the extent that such losses can be offset against tax on future profit. At 30 June 2015, deferred tax assets from recognised tax loss carry-forwards amounted to DKK 0.3 billion (31 December 2014: DKK 0.5 billion). The tax base of unrecognised tax loss carry-forwards, relating primarily to the Group's banking operations in Ireland, amounted to DKK 3.4 billion (31 December 2014: DKK 3.5 billion). The full deferred tax liability arising from international joint taxation was recognised and amounted to DKK 6.1 billion (31 December 2014: DKK 6.4 billion).

The consolidated financial statements for 2014 and Risk Management 2014 provide a detailed description of the significant risks and the external factors that may affect the Group. Risk Management 2014 is not covered by the statutory audit.

2. Business model and business segmentation

Danske Bank is a modern Nordic universal bank with links to the rest of the world. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities.

The Group consists of a number of business units and support functions. The business units are segmented according to customers, legislation and products and services characteristics:

Personal Banking serves personal and private banking customers. The unit focuses on offering innovative digital solutions aimed at making day-to-day banking simple and efficient and on providing proactive advice to customers with more complex finances.

Business Banking serves small and medium-sized businesses through a large network of finance centres, branches, contact centres and online channels. The unit offers leading solutions within financing, investing, cash management and risk management.

Corporates & Institutions is a leading provider of wholesale banking services to the largest institutional and corporate customers in the Nordic region. Products and services include cash management services; trade finance solutions; custody services; equity, bond, foreign exchange and derivatives products; corporate finance; and acquisition finance.

Danske Capital develops and sells asset and wealth management products and services that are marketed through Personal Banking and directly to businesses, institutional clients and third-party distributors. Danske Capital also supports the advisory and asset management activities of Personal Banking.

Danica Pension carries out the Group's activities in the life insurance and pensions market. Danica Pension serves both personal and business customers. Its products are marketed through a range of channels in the Group, primarily Personal Banking and Danica Pension's own insurance brokers and advisers. Danica Pension offers unit-linked products that allow customers to select their own investment profiles and the return on savings depends on market trends. Danica Pension also offers *Danica Traditionel*. This product does not offer individual investment profiles, and Danica Pension sets the rate of interest on policyholders' savings.

Non-core includes certain customer segments that are no longer considered part of the core business. The Non-core unit is responsible for the controlled winding-up and divestment of this part of the loan portfolio. The portfolio consists of loans to customers in Ireland, liquidity back-up facilities for Special Purpose Vehicles (SPVs), conduit structures and from 1 January 2015 also all Baltic personal banking customers.

Other Activities encompasses Group Treasury, Group IT and Group Services. Group Treasury is responsible for the Group's liquidity management and funding.

Notes – Danske Bank Group

(DKK millions)

2. Business model and business segmentation continued

Business segments first half 2015

	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non- core	Elimina- tions	Total	Reclassi- fication	Highlights
Net interest income	4,728	4,537	3,541	-3	2,374	1,738	91	20	17,026	-6,197	10,829
Net fee income	2,734	1,139	954	1,150	-542	-24	14	-16	5,410	724	6,134
Net trading income	416	442	997	-	6,055	-1,172	1	-220	6,519	-2,279	4,240
Other income	340	1,085	2	1	806	474	-	-49	2,660	-1,794	866
Net premiums	-	-	-	-	10,599	-	-	-	10,599	-10,599	-
Net insurance benefits	-	-	-	-	17,739	-	-	-	17,739	-17,739	-
Net income from insurance business	-	-	-	-	-	-	-	-	-	1,110	1,110
Total income	8,218	7,203	5,494	1,148	1,553	1,017	106	-265	24,475	-1,296	23,179
Operating expenses	5,224	3,356	2,284	477	443	242	213	-88	12,152	-1,402	10,750
Profit before loan impairment charges	2,994	3,847	3,210	671	1,110	774	-107	-177	12,323	106	12,429
Loan impairment charges	375	-103	11	-	-	-	-137	-	146	137	283
Profit before tax, core	2,619	3,950	3,199	671	1,110	774	30	-177	12,176	-30	12,146
Profit before tax, Non-core										30	30
Profit before tax	2,619	3,950	3,199	671	1,110	774	30	-177	12,176	-	12,176
Loans, excluding reverse transactions	798,199	631,899	176,402	124	-	25,099	30,147	-30,663	1,631,207	-30,147	1,601,060
Other assets	238,334	211,032	3,568,823	11,823	371,307	1,987,059	-14,107	-4,553,264	1,821,006	-179	1,820,827
Total assets in Non-core	-	-	-	-	-	-	-	-	-	30,326	30,326
Total assets	1,036,533	842,931	3,745,225	11,947	371,307	2,012,157	16,040	-4,583,926	3,452,213	-	3,452,213
Deposits, excluding repo deposits	353,175	258,517	229,522	263	-	8,451	5,525	-10,238	845,215	-5,525	839,690
Other liabilities	658,423	546,383	3,478,296	9,055	358,974	1,975,866	4,974	-4,573,688	2,458,283	-540	2,457,743
Allocated capital	24,935	38,032	37,407	2,629	12,332	27,840	5,541	-	148,715	-	148,715
Total liabilities in Non-core	-	-	-	-	-	-	-	-	-	6,065	6,065
Total liabilities and equity	1,036,533	842,931	3,745,225	11,947	371,307	2,012,157	16,040	-4,583,926	3,452,213	-	3,452,213
Profit before tax as % of allocated capital (avg.)	20.6	21.1	16.7	51.1	18.4	6.3	0.8	-	16.4		
Cost/income ratio (%)	63.6	46.6	41.6	41.6	28.5	23.8	200.9	-	49.7		
Full-time-equivalent staff, end of period	6,695	3,065	1,832	514	756	5,619	393	-	18,874		

In its financial highlights, Danske Bank recognises earnings contributed by Danske Markets (part of C&I) as Net trading income with the exception of brokerage and debt capital markets fees. Earnings contributed by Group Treasury (part of Other Activities) is recognised as Net trading income except for income on the liquidity portfolio and interest expenses at the internal bank, which are presented under Net interest income. Earnings contributed by Danica Pension are recognised as Net income from insurance business, and earnings from Non-core activities as Profit before tax, Non-core. Operating lease costs, excluding property leasing, are presented on a net basis under Other income. The Reclassification column shows the adjustments made to the figures presented in the IFRS financial statements in the calculation of the Highlights.

Baltic personal banking customers have been transferred to the Non-core unit from 1 January 2015. Comparatives figures have not been restated.

Notes – Danske Bank Group

(DKK millions)

2. Business model and business segmentation continued

Business segments first half 2014

	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non- core	Elimina- tions	Total	Reclassi- fication	Highlights
Net interest income	5,343	4,368	3,634	1	2,494	392	90	69	16,391	-5,556	10,836
Net fee income	2,186	1,017	958	1,023	-483	-35	16	-9	4,673	534	5,207
Net trading income	318	315	-60	-1	6,354	938	3	-197	7,670	-3,518	4,152
Other income	330	931	3	-	169	79	1	-68	1,445	-771	674
Net premiums	-	-	-	-	10,911	-	-	-	10,911	-10,911	-
Net insurance benefits	-	-	-	-	18,101	-	-	-	18,101	-18,101	-
Net income from insurance business	-	-	-	-	-	-	-	-	-	927	927
Total income	8,177	6,631	4,535	1,023	1,344	1,374	110	-205	22,989	-1,192	21,797
Operating expenses	5,278	3,314	2,303	488	417	380	524	-77	12,627	-1,606	11,021
Profit before loan impairment charges	2,899	3,317	2,232	535	927	994	-414	-129	10,362	414	10,776
Loan impairment charg- es	553	504	210	-	-	-	380	-	1,647	-380	1,267
Profit before tax, core	2,346	2,813	2,022	535	927	994	-794	-129	8,715	794	9,509
Profit before tax, Non-core	-	-	-	-	-	-	-	-	-	-794	-794
Profit before tax	2,346	2,813	2,022	535	927	994	-794	-129	8,715	-	8,715
Loans, excluding reverse transac- tions	794,499	607,441	165,010	332	-	30,116	35,821	-30,900	1,602,319	-35,821	1,566,498
Other assets	225,020	209,908	4,357,490	18,981	347,525	1,707,965	-2,832	-5,192,891	1,671,166	-286	1,670,880
Total assets in Non-core	-	-	-	-	-	-	-	-	-	36,107	36,107
Total assets	1,019,519	817,349	4,522,500	19,313	347,525	1,738,081	32,989	-5,223,791	3,273,485	-	3,273,485
Deposits, excluding repo deposits	335,724	255,999	171,033	254	-	8,494	7,497	-7,934	771,068	-7,497	763,571
Other liabilities	651,404	518,830	4,312,747	16,484	335,412	1,716,948	16,977	-5,215,856	2,352,947	-1,008	2,351,939
Allocated capital	32,391	42,520	38,719	2,575	12,113	12,638	8,515	-	149,470	-	149,470
Total liabilities in Non-core	-	-	-	-	-	-	-	-	-	8,505	8,505
Total liabilities and equity	1,019,519	817,349	4,522,500	19,313	347,525	1,738,081	32,989	-5,223,791	3,273,485	-	3,273,485
Profit before tax as % of allocated capital (avg.)	14.5	13.1	10.5	41.5	15.5	18.9	-17.9	-	11.7	-	-
Cost/income ratio (%)	64.5	50.0	50.8	47.7	31.0	27.7	476.4	-	54.9	-	-
Full-time-equivalent staff, end of period	6,971	3,735	1,543	522	784	5,471	146	-	19,172	-	-

The presentation of brokerage and debt capital markets fees in Danske Markets (part of C&I) and income on the liquidity portfolio and interest expenses at the internal bank has been changed. Note 1 provides more details.

Notes – Danske Bank Group

(DKK millions)

2. Business model and business segmentation continued

Personal Banking by country First half 2015

	Denmark	Finland	Sweden	Norway	Northern Ireland	Other*	Total
Net interest income	3,023	434	309	591	346	25	4,728
Net fee income	1,805	464	178	85	119	83	2,734
Net trading income	344	31	11	-13	29	14	416
Other income	77	24	-	237	-	2	340
Total income	5,249	953	498	900	494	124	8,218
Operating expenses	2,913	669	368	615	392	267	5,224
Profit before loan impairment charges	2,336	284	130	285	102	-143	2,994
Loan impairment charges	395	29	-5	-9	-21	-14	375
Profit before tax	1,941	255	135	294	123	-129	2,619
Loans, excluding reverse transactions	522,786	93,542	69,600	86,610	19,618	6,043	798,199
Deposits, excluding repo deposits	209,163	47,515	27,516	28,395	33,437	7,149	353,175
Net interest income as % p.a. of loans and deposits	0.83	0.62	0.64	1.03	1.30	0.38	0.82
Cost/income ratio (%)	55.5	70.2	73.9	68.3	79.4	-	63.6

*Other includes Luxembourg, staff functions and other non-country specific costs.

Personal Banking by country First half 2014

	Denmark	Finland	Sweden	Norway	Northern Ireland	Other*	Total
Net interest income	3,596	554	293	546	329	25	5,343
Net fee income	1,333	461	145	74	101	72	2,186
Net trading income	265	10	9	-4	25	13	318
Other income	72	30	-	230	-	-2	330
Total income	5,266	1,055	447	846	455	108	8,177
Operating expenses	3,023	728	364	575	363	225	5,278
Profit before loan impairment charges	2,243	327	83	271	92	-117	2,899
Loan impairment charges	387	64	49	23	25	5	553
Profit before tax	1,856	263	34	248	67	-122	2,346
Loans, excluding reverse transactions	535,276	94,024	69,799	72,898	17,292	5,210	794,499
Deposits, excluding repo deposits	199,124	46,715	28,157	27,669	28,851	5,208	335,724
Net interest income as % p.a. of loans and deposits	0.98	0.79	0.60	1.09	1.43	0.48	0.95
Cost/income ratio (%)	57.4	69.0	81.4	68.0	79.8	-	64.5

*Other includes Luxembourg, staff functions and other non-country specific costs.

Notes – Danske Bank Group

(DKK millions)

2. Business model and business segmentation continued

Business Banking by country First half 2015

	Denmark	Finland	Sweden	Norway	Northern Ireland	Baltics	Other*	Total
Net interest income	2,333	401	841	472	389	159	-58	4,537
Net fee income	449	218	166	105	132	69	-	1,139
Net trading income	271	23	54	32	29	32	1	442
Other income	1,019	13	1	45	7	2	-1	1,085
Total income	4,072	655	1,062	654	557	262	-58	7,203
Operating expenses	1,807	334	443	302	264	142	65	3,356
Profit before loan impairment charges	2,265	321	619	352	293	120	-123	3,847
Loan impairment charges	45	83	30	-12	-212	-37	-	-103
Profit before tax	2,220	238	589	364	505	157	-123	3,950
Loans, excluding reverse transactions	366,569	48,990	115,653	59,974	30,201	10,510	2	631,899
Deposits, excluding repo deposits	81,493	47,106	38,590	40,504	28,854	21,975	-5	258,517
Net interest income as % p.a. of loans and deposits	1.04	0.83	1.09	0.94	1.32	0.98	-	1.02
Cost/income ratio (%)	44.4	51.0	41.7	46.1	47.4	54.2	-	46.6

*Other includes staff functions and other non-country specific costs.

Business Banking by country First half 2014

	Denmark	Finland	Sweden	Norway	Northern Ireland	Baltics	Other*	Total
Net interest income	2,351	366	781	396	334	201	-61	4,368
Net fee income	347	215	151	98	112	94	-	1,017
Net trading income	138	21	51	27	27	51	-	315
Other income	837	14	6	61	6	7	-	931
Total income	3,673	616	989	582	479	353	-61	6,631
Operating expenses	1,667	363	438	332	251	200	63	3,314
Profit before loan impairment charges	2,006	253	551	250	228	153	-124	3,317
Loan impairment charges	486	27	-12	100	-65	-32	-	504
Profit before tax	1,520	226	563	150	293	185	-124	2,813
Loans, excluding reverse transactions	361,362	46,459	103,439	51,770	26,660	17,755	-	607,445
Deposits, excluding repo deposits	80,246	44,301	40,308	43,313	24,981	22,850	-	255,999
Net interest income as % p.a. of loans and deposits	1.06	0.81	1.09	0.83	1.29	0.99	-	1.01
Cost/income ratio (%)	45.4	58.9	44.3	57.1	52.4	56.7	-	50.0

*Other includes staff functions and other non-country specific costs.

Notes – Danske Bank Group

(DKK millions)

3. Other Income

Other income amounted to DKK 2,660 million (30 June 2014: DKK 1,445 million), including income from associates of DKK 320 million (30 June 2014: DKK -37 million).

4. Loan impairment charges

Loan impairment charges include losses on and impairment charges against loans, provisions for loan commitments and guarantees, as well as fair value adjustments of the credit risk on loans measured at fair value.

	30 June 2015	30 June 2014
New and increased impairment charges	4,979	6,590
Reversals of impairment charges	4,912	4,875
Write-offs charged directly to income statement	824	672
Received on claims previously written off	541	416
Interest income, effective interest method	-204	-324
Total	146	1,647

5. Other issued bonds and subordinated debt

This note includes information on senior and senior secured and subordinated bonds issued by the Group, with the exception of bonds issued by Realkredit Danmark. The Group has made two bond issues that fulfill the requirements for additional tier 1 capital under the Capital Requirements Regulation. As the additional tier 1 capital is perpetual and interest and principal payments are discretionary, the bonds are accounted for as equity.

Other issued bonds	30 June 2015	31 December 2014
Commercial papers and certificates of deposits	25,725	25,673
Other	319,807	304,533
Total	345,532	330,207

Other issued bonds are recognised at amortised cost. Other includes covered bonds and other senior bonds.

Nominal value	1 January 2015	Issued	Redeemed	Foreign currency translation	30 June 2015
Commercial paper and certificates of deposit	25,671	30,643	32,007	1,418	25,725
Other	342,520	37,647	9,758	-1,309	359,100
Other issued bonds	368,191	68,290	41,765	-9,891	384,824

Nominal value	1 January 2014	Issued	Redeemed	Foreign currency translation	31 December 2014
Commercial paper and certificates of deposit	25,253	91,526	92,663	1,555	25,671
Other	317,231	95,522	70,394	161	342,520
Other issued bonds	342,484	187,048	163,057	1,716	368,191

Notes – Danske Bank Group

(DKK millions)

5. Other issued bonds and subordinated debt continued

Subordinated debt and additional tier 1 capital, which is accounted for as equity

During the first six months of 2015, the Group redeemed DKK 5,226 million (full year 2014: DKK 29,038 million) and issued DKK 0 million (full year 2014 DKK 3,722 million) in subordinated debt.

In February 2015, Danske Bank A/S issued EUR 750 million (DKK 5,583 million) in additional tier 1 capital. At 30 June 2015, additional tier 1 capital amounted to DKK 11,180 million (31 December 2014: DKK 5,597 million). Danske Bank A/S may, at its sole discretion, omit interest and principal payments to bondholders. Any interest payments made must be made out of retained earnings in Danske Bank A/S and Danske Bank Group. Retained earnings are disclosed in the balance sheet for both Danske Bank A/S and Danske Bank Group. The additional tier 1 capital will be temporarily written down if the common equity tier 1 capital ratio falls below 7% for Danske Bank A/S or Danske Bank Group. The ratios at end June 2015 are disclosed in the Statements of capital for the Group and in Ratios and key figures for Danske Bank A/S. The issued additional tier 1 capital is classified as equity instruments in the financial statements.

6. Other assets and other liabilities

Other assets amounted to DKK 33,421 million (31 December 2014: DKK 36,966 million), including holdings in associates of DKK 1,214 million (31 December 2014: DKK 1,318 million), investment property of DKK 3,541 million (31 December 2014: DKK 3,536 million) and tangible assets of DKK 6,999 million (31 December 2014: DKK 6,625 million).

Other liabilities amounted to DKK 42,598 million (31 December 2014: DKK 44,126 million), including other staff commitments of DKK 2,819 million (31 December 2014: DKK 3,249 million).

Notes – Danske Bank Group

(DKK millions)

7. Contingent liabilities

The Group uses a variety of loan-related financial instruments to meet customers' financial requirements. Instruments include loan offers and other credit facilities, guarantees and instruments not recognised in the balance sheet.

	30 June 2015	31 December 2014
Guarantees		
Financial guarantees	9,990	9,344
Mortgage finance guarantees	2,207	1,128
Other guarantees	72,509	66,958
Total	84,706	77,430
Other contingent liabilities		
Loan commitments shorter than 1 year	143,106	115,511
Loan commitments longer than 1 year	147,914	136,064
Other unutilised loan commitments	485	520
Total	291,505	252,095

In addition to credit exposure from lending activities, loan offers made and uncommitted lines of credit granted by the Group amounted to DKK 326 billion (31 December 2014: DKK 308 billion). These items are included in the calculation of the total risk exposure amount in accordance with the Capital Requirements Directive.

Owing to its business volume, Danske Bank is continually a party to various lawsuits and disputes and has an ongoing dialogue with public authorities such as the Danish FSA. In view of its size, Danske Bank does not expect the outcomes of pending lawsuits and disputes or its dialogue with public authorities 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. As the sponsoring employer, the Group is also liable for the pension obligations of a number of company pension funds.

The revised Deposits Guarantee Scheme Directive and the Bank Recovery and Resolution Directive were implemented in Danish law with effect from 1 June 2015. Through their participation in the new Guarantee Fund, Danish credit institutions undertake to cover the losses incurred on covered deposits in distressed credit institutions. The fund must amount to at least 0.8% of the covered deposits of all Danish credit institutions. It is the expectation that no significant underfunding will exist at the end of 2015. From 2016, contributions to the fund, if any, will be calculated on the basis of the credit institution's covered deposits and risk relative to other credit institutions in Denmark. Moreover, a Danish resolution fund has been established. Each Danish credit institution must make contributions to the fund on the basis of its size and risk relative to other credit institutions in Denmark. The resolution fund must amount to 1% of the covered deposits of all Danish credit institutions by 31 December 2024 at the latest. The first contribution to the fund must be made by 31 December 2015. The intention is that losses should be covered by the annual contributions made by the participating credit institutions. If any of the funds incur losses, the annual contribution may be increased.

The Group is the lessee in a number of non-cancellable operating leases, involving mainly leasing of real property, equipment, furniture and fixtures. The Group recognises lease payments as an expense over the lease term but does not recognise the operating lease assets in its balance sheet. Such assets are recognised by lessors.

Danske Bank A/S is taxed jointly with all entities in Danske Bank Group and is jointly and severally liable for payment of Danish corporate tax and withholding tax, etc.

Danske Bank A/S is registered jointly with all significant Danish entities in Danske Bank Group for financial services employer tax and VAT, for which it is jointly and severally liable.

Notes – Danske Bank Group

[DKK millions]

8. Assets provided or received as collateral

At 30 June 2015, Danske Bank A/S had deposited securities worth DKK 8.3 billion as collateral with Danish and international clearing centres and other institutions (31 December 2014: DKK 1.0 billion).

At 30 June 2015, Danske Bank A/S had provided cash and securities worth DKK 80.7 billion as collateral for derivatives transactions (31 December 2014: DKK 85.0 billion).

At 30 June 2015, the Group had registered assets (including bonds and shares issued by the Group) under insurance contracts worth DKK 331.2 billion (31 December 2014: DKK 320.3 billion) as collateral for policyholders' savings of DKK 323.4 billion (31 December 2014: DKK 315.8 billion).

At 30 June 2015, the Group had registered loans at fair value and securities worth a total of DKK 738.8 billion (31 December 2014: DKK 743.3 billion) as collateral for bonds issued by Realkredit Danmark, including mortgage-covered bonds, worth a total of DKK 691.5 billion (31 December 2014: DKK 656.0 billion). Similarly, the Group had registered loans and other assets worth DKK 268.5 billion (31 December 2014: DKK 270.8 billion) as collateral for covered bonds issued under Danish and Finnish law.

The table below shows assets provided as collateral for obligations, including obligations under repo transactions and securities lending:

	30 June 2015			31 December 2014		
	Repo	Other	Total	Repo	Other	Total
Due from credit institutions	-	33,889	33,889	-	32,353	32,353
Trading portfolio securities	321,772	54,045	375,817	386,797	66,063	452,860
Loans at fair value	-	737,370	737,370	-	741,609	741,609
Loans at amortised cost	-	281,716	281,716	-	275,923	275,923
Assets under insurance contracts	-	281,394	281,394	-	270,861	270,861
Other assets	-	123	123	-	166	166
Total	321,772	1,388,537	1,710,309	386,797	1,386,975	1,773,772
Own issued bonds	11,147	88,827	99,974	11,480	89,644	101,124
Total, including own issued bonds	332,919	1,477,364	1,810,283	398,277	1,476,619	1,874,896

Securities provided as collateral under agreements that entitle the counterparty to sell the securities or provide them as collateral for other loans amounted to DKK 321.8 billion at 30 June 2015 (31 December 2014: DKK 386.8 billion).

At 30 June 2015, the Group had received securities worth DKK 230.6 billion (31 December 2014: DKK 290.6 billion) as collateral for reverse repo transactions, securities lending, derivatives transactions and other transactions entered into on the standard terms for such transactions. As the party receiving the collateral, the Group is entitled in many cases to sell the securities or provide the securities as collateral for other loans in exchange for returning similar securities to the counterparty at the expiry of the transactions. At 30 June 2015, the Group had sold securities or provided securities as collateral worth DKK 161.3 billion (31 December 2014: DKK 160.9 billion).

The Group also receives many other types of assets as collateral in connection with its ordinary lending activities. The Group has not transferred the ownership of these assets. The risk management notes in the consolidated financial statements for 2014 provide more details on assets received as collateral.

Notes – Danske Bank Group

(DKK millions)

9. Information on financial instruments

Financial instruments are carried in the balance sheet at fair value or amortised cost.

	30 June 2015		31 December 2014	
	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	125,965	-	33,876
Due from credit institutions and central banks	-	185,277	-	112,760
Trading portfolio assets	596,740	-	742,513	-
Investment securities	212,320	118,606	226,139	104,855
Loans at amortised cost	-	1,068,246	-	1,092,902
Loans at fair value	737,370	-	741,609	-
Assets under pooled schemes and unit-linked investment contracts	90,081	-	80,148	-
Assets under insurance contracts	241,035	-	237,103	-
Total	1,877,546	1,498,094	2,027,512	1,344,393
Financial liabilities				
Due to credit institutions and central banks	-	312,871	-	329,048
Trading portfolio liabilities	485,838	-	550,629	-
Deposits	-	984,399	-	966,197
Bonds issued by Realkredit Danmark	691,544	-	655,965	-
Deposits under pooled schemes and unit-linked investment contracts	95,432	-	86,433	-
Other issued bonds	-	345,532	-	330,207
Subordinated debt	-	36,846	-	41,028
Other liabilities (loan commitments and guarantees)	-	575	-	495
Total	1,272,814	1,680,223	1,293,027	1,666,975

Negative interest income and interest expenses resulting from negative interest rates were insignificant during the first half of 2015. The amounts are offset against interest income and interest expenses, respectively.

Financial instruments at fair value

Note 30 in the consolidated financial statements for 2014 provides more information about fair value calculation methods for financial instruments.

Financial instruments valued on the basis of quoted prices in an active market are recognised in the Quoted prices category. Financial instruments valued substantially on the basis of other observable input are recognised in the Observable input category. This category covers instruments such as derivatives valued on the basis of observable yield curves and exchange rates and illiquid mortgage bonds valued by reference to the value of similar, liquid bonds. Other financial instruments valued substantially on the basis of non-observable input are recognised in the Non-observable input category. This category covers instruments such as unlisted shares, some unlisted bonds and a limited portion of the derivatives portfolio (1%).

If, at the balance sheet date, a financial instrument's classification differs from its classification at the beginning of the year, the classification of the instrument changes. Changes are considered to have taken place at the balance sheet date. Developments in the financial markets have resulted in reclassification between the categories. Some bonds have become illiquid and have therefore been moved from the Quoted prices to the Observable input category, while other bonds have become liquid and have been moved from the Observable input to the Quoted prices category. The amounts transferred are insignificant.

Financial instruments at amortised cost

Note 30 in the consolidated financial statements for 2014 provides information on the difference between the carrying amount and the fair value of financial instruments recognised at amortised cost. The difference between the two types of measurement at 30 June 2015 was in line with the difference at 31 December 2014.

Notes – Danske Bank Group

(DKK millions)

9. Information on financial instruments continued

30 June 2015	Quoted prices	Observable input	Non-observable input	Total
Financial assets				
Derivatives				
Interest rate contracts	3,859	220,016	4,807	228,682
Currency contracts etc.	100	104,456	1,282	105,838
Trading portfolio bonds				
Government bonds and other bonds	94,142	722	-	94,864
Danish mortgage bonds	44,855	2,284	-	47,139
Other covered bonds	62,583	1,536	-	64,119
Other bonds	35,848	6,804	-	42,652
Trading portfolio shares	12,869	-	578	13,447
Investment securities, bonds	170,689	39,831	-	210,520
Investment securities, shares	43	-	1,756	1,799
Loans at fair value	-	737,370	-	737,370
Assets under pooled schemes and unit-linked investment contracts	90,081	-	-	90,081
Assets under insurance contracts, bonds				
Danish mortgage bonds	40,201	4,214	-	44,415
Other bonds	98,146	167	2,607	100,920
Assets under insurance contracts, shares	69,066	165	14,418	83,649
Assets under insurance contracts, derivatives	93	11,958	-	12,051
Total	722,575	1,129,523	25,448	1,877,546
Financial liabilities				
Derivatives				
Interest rate contracts	3,658	194,347	5,580	203,585
Currency contracts etc.	491	119,543	931	120,965
Obligations to repurchase securities	160,871	388	28	161,287
Bonds issued by Realkredit Danmark	691,544	-	-	691,544
Deposits under pooled schemes and unit-linked investment contracts	-	95,432	-	95,432
Total	856,564	409,710	6,539	1,272,813

Notes – Danske Bank Group

(DKK millions)

9. Information on financial instruments continued

31 December 2014	Quoted prices	Observable input	Non-observable input	Total
Financial assets				
Derivatives				
Interest rate contracts	3,807	269,285	4,562	277,654
Currency contracts etc.	127	130,860	801	131,788
Trading portfolio bonds				
Government bonds and other bonds	143,749	-	-	143,749
Danish mortgage bonds	74,695	3,188	-	77,883
Other covered bonds	57,776	2,077	-	59,853
Other bonds	33,780	9,832	-	43,612
Trading portfolio shares	7,442	-	532	7,974
Investment securities, bonds	186,024	38,264	25	224,313
Investment securities, shares	53	-	1,772	1,825
Loans at fair value	-	741,609	-	741,609
Assets under pooled schemes and unit-linked investment contracts	80,148	-	-	80,148
Assets under insurance contracts, bonds				
Danish mortgage bonds	37,357	2,703	-	40,060
Other bonds	105,021	26	1,610	106,657
Assets under insurance contracts, shares	64,464	453	12,429	77,346
Assets under insurance contracts, derivatives	44	12,996	-	13,040
Total	794,487	1,211,293	21,731	2,027,511
Financial liabilities				
Derivatives				
Interest rate contracts	4,221	239,798	5,743	249,762
Currency contracts etc.	543	138,609	832	139,984
Obligations to repurchase securities	160,707	117	59	160,883
Bonds issued by Realkredit Danmark	655,965	-	-	655,965
Deposits under pooled schemes and unit-linked investment contracts	-	86,433	-	86,433
Total	821,436	464,957	6,634	1,293,027

Notes – Danske Bank Group

(DKK millions)

9. Information on financial instruments continued

At 30 June 2015, financial instruments valued on the basis of non-observable input comprised unlisted shares of DKK 16,724 million (31 December 2014: DKK 14,674 million), illiquid bonds of DKK 2,607 million (31 December 2014: DKK 1,610 million) and derivatives with a net market value of DKK -422 million (31 December 2014: DKK -1,211 million). Unlisted shares of DKK 14,418 million (31 December 2014: DKK 12,429 million) are allocated to insurance contract policyholders, and the policyholders assume most of the risk on the shares. Changes in the fair value of those shares will only to a limited extent affect the Group's net result. For the remaining portfolio of unlisted shares of DKK 2,306 million (31 December 2014: DKK 2,245 million), a 10% increase or decrease in the fair value would amount to DKK 231 million (31 December 2014: DKK 224 million). The estimated fair value of illiquid bonds depends significantly on the estimated credit spread. If the credit spread widens 50bp, fair value will decrease DKK 57 million (31 December 2014: DKK 36 million). If the credit spread narrows 50bp, fair value will increase DKK 58 million (31 December 2014: DKK 37 million). A substantial number of derivatives valued on the basis of non-observable input are hedged by similar derivatives or are used for hedging the credit risk on bonds also valued on the basis of non-observable input. Changing one or more of the non-observable inputs to reflect reasonably possible alternative assumptions would not change the fair value of the derivatives significantly.

The Group makes fair value adjustments to cover changes in counterparty risk (CVA and DVA) on derivatives, bid-offer spreads on the net open position of the portfolio of assets and liabilities with offsetting market risk recognised at mid-market prices, and model risk on level 3 derivatives. At 30 June 2015, the adjustments totalled DKK 1.3 billion (31 December 2014: DKK 1.0 billion) including the adjustment for credit risk on derivatives with customers subject to objective evidence of impairment.

In the first six months of 2015, the Group recognised unrealised value adjustments of unlisted shares of DKK 965 million on the portfolio of shares allocated to insurance contracts (2014: DKK 1,225 million) and DKK 158 million on the remaining portfolio (2014: DKK 234 million). The adjustments in 2015 and 2014 were attributable to various unlisted shares.

Shares, bonds and derivatives valued on the basis of non-observable input	30 June 2015			31 December 2014		
	Shares	Bonds	Derivatives	Shares	Bonds	Derivatives
Fair value at beginning of period	14,674	1,610	-1,211	12,500	674	1,591
Value adjustment through profit or loss	1,787	110	-311	3,362	61	-51
Acquisitions	2,267	962	120	3,957	1,335	-1,726
Sale and redemption	-2,004	-75	773	-5,145	-460	275
Transferred from quoted prices and observable input	-	-	-	-	-	659
Transferred to quoted prices and observable input	-	-	206	-	-	-1,959
Fair value at end of period	16,724	2,607	-422	14,674	1,610	-1,211

The value adjustment through profit or loss is recognised under Net trading income.

Notes – Danske Bank Group

Risk Management

The consolidated financial statements for 2014 provide a detailed description of the Group's risk management practices. Management's report describes the most recent changes to the risk management practices.

Breakdown of credit exposure (DKK billions) 30 June 2015	Lending activities			Counterparty risk (derivatives)	Trading and investment securities	Customer-funded investments
	Total	Core	Non-core			
Balance sheet items						
Demand deposits with central banks	115.9	115.9	-	-	-	-
Due from credit institutions and central banks	125.5	125.5	-	-	-	-
Repo loans with credit institutions and central banks	59.7	59.7	-	-	-	-
Trading portfolio assets	596.7	-	-	334.5	262.2	-
Investment securities	330.9	-	-	-	330.9	-
Loans at amortised cost	893.8	863.7	30.1	-	-	-
Repo loans	174.4	174.4	-	-	-	-
Loans at fair value	737.4	737.4	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	90.1	-	-	-	-	90.1
Assets under insurance contracts	269.2	-	-	-	-	269.2
Off-balance-sheet items						
Guarantees	84.7	83.1	1.6	-	-	-
Loan commitments shorter than 1 year	143.1	138.3	4.8	-	-	-
Loan commitments longer than 1 year	147.9	147.8	0.1	-	-	-
Other unutilised commitments	0.5	-	-	-	0.5	-
Total	3,769.9	2,445.8	36.6	334.5	593.6	359.3
31 December 2014						
Balance sheet items						
Demand deposits with central banks	23.3	23.3	-	-	-	-
Due from credit institutions and central banks	63.8	63.7	0.1	-	-	-
Repo loans with credit institutions and central banks	48.9	48.9	-	-	-	-
Trading portfolio assets	742.5	-	-	409.4	333.1	-
Investment securities	331.0	-	-	-	331.0	-
Loans at amortised cost	851.7	822.1	29.6	-	-	-
Repo loans	241.2	241.2	-	-	-	-
Loans at fair value	741.6	741.6	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	80.1	-	-	-	-	80.1
Assets under insurance contracts	268.5	-	-	-	-	268.5
Off-balance-sheet items						
Guarantees	77.4	76.2	1.2	-	-	-
Loan commitments shorter than 1 year	115.5	115.1	0.4	-	-	-
Loan commitments longer than 1 year	136.1	136.1	-	-	-	-
Other unutilised commitments	0.5	-	-	-	0.5	-
Total	3,722.2	2,268.2	31.3	409.4	664.6	348.6

In addition to credit exposure from lending activities, Danske Bank had made loan offers and granted uncommitted lines of credit of DKK 326 billion at 30 June 2015 (31 December 2014: DKK 308 billion). These items are included in the calculation of the total risk exposure amount in accordance with the Capital Requirements Directive.

Notes – Danske Bank Group

Credit exposure from core lending activities

Credit exposure from lending activities in the Group's core banking business includes loans and advances, amounts due from credit institutions and central banks, guarantees and irrevocable loan commitments. The exposure is measured net of accumulated impairment charges and includes repo loans. For reporting purposes, all collateral values are net of haircuts and capped at the exposure amount. The credit exposure from Non-core lending activities is disclosed later in these notes.

Classification of customers

The main objectives of risk classification are to rank the Group's customers according to risk and to estimate each customer's probability of default (PD). As part of the credit process, the Group classifies customers according to risk and updates their classifications upon receipt of new information. Risk classification comprises rating and credit scoring of customers.

The Group has developed a number of classification models to assess customer PD and to classify customers in various segments. Large business and financial customers are classified on the basis of rating models, while small business and personal customers are classified by means of scoring models.

In its credit risk management, the Group uses point-in-time (PIT) PD estimates for risk classification. These PIT PD estimates express a customer's probability of default in the current economic situation. The Group's classification scale consists of 11 main rating categories with fixed PD bands. During a downturn, a customer's PIT PD may increase, and the customer may migrate to a lower rating category. The effect from a downturn is thus larger when PIT PD is used than if the classification were based on through-the-cycle (TTC) PD, which the Group uses to calculate the risk exposure amount for credit risk.

Loans to customers for which objective evidence of impairment exists are placed in rating category 10 or 11, including loans for which no impairment charges have been recognised, for example because adequate collateral has been provided.

Credit portfolio in core activities broken down by rating category

(DKK billions)	30 June 2015						31 December 2014			
	PD level		Gross exposure =a+b	Acc. individual impairment charges	Net exposure a	Net exposure, ex collateral	Gross exposure =a+b	Acc. individual impairment charges	Net exposure a	Net exposure, ex collateral
	Upper	Lower		b				b		
1	0.00	0.01	195.3	-	195.3	180.9	69.4	-	69.4	52.0
2	0.01	0.03	259.9	-	259.9	142.2	184.8	-	184.8	75.1
3	0.03	0.06	392.5	-	392.5	126.6	394.1	-	394.1	117.5
4	0.06	0.14	456.7	-	456.7	162.9	447.2	-	447.2	153.4
5	0.14	0.31	497.1	-	497.1	166.0	510.2	-	510.2	171.0
6	0.31	0.63	293.8	-	293.8	87.6	289.3	-	289.3	79.6
7	0.63	1.90	199.7	-	199.7	53.4	213.5	-	213.5	60.2
8	1.90	7.98	78.4	-	78.4	24.6	82.2	-	82.2	25.1
9	7.98	25.70	17.1	-	17.1	5.2	21.9	-	21.9	6.8
10	25.70	99.99	47.8	8.7	39.1	11.5	47.7	10.1	37.6	11.0
11 (default)	100.00	100.00	34.9	18.5	16.5	2.9	37.0	18.9	18.0	1.9
Total before collective impairment charges			2,473.0	27.2	2,445.8	963.8	2,297.3	29.0	2,268.2	753.7
Collective impairment charges			4.1	-	-	-	4.0	-	-	-
Total gross exposure			2,477.1	-	-	-	2,301.3	-	-	-

Notes – Danske Bank Group

Credit portfolio in core activities broken down by industry (NACE)

The table below breaks down credit exposure by industry. The industry segmentation follows the classification principles of the Statistical Classification of Economic Activities in the European Community (NACE) standard.

(DKK billions)	30 June 2015				31 December 2014			
	Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral	Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral
Public institutions	271.2	0.0	271.2	250.3	100.1	0.0	100.1	77.4053
Banks	95.6	0.1	95.5	75.3	86.4	0.1	86.3	63.2792
Credit institutions	26.1	-	26.1	15.0	30.7	-	30.7	11.5468
Insurance	51.1	0.0	51.1	9.2	50.7	0.0	50.7	7.4086
Investment funds	81.3	0.4	80.9	13.9	105.9	0.5	105.5	14.7301
Other financials	60.2	0.2	60.0	14.9	98.8	0.1	98.6	11.2066
Agriculture	67.1	2.6	64.6	13.5	65.8	2.5	63.3	13.0589
Commercial property	285.6	7.0	278.6	51.2	268.6	7.4	261.2	49.432
Construction, engineering and building products	42.2	1.8	40.4	30.8	37.5	2.1	35.3	27.0446
Consumer discretionary	93.4	2.2	91.2	51.3	85.4	2.5	82.9	48.2149
Consumer staples	59.1	0.3	58.8	38.2	58.7	0.4	58.3	37.5636
Energy and utilities	41.3	0.1	41.2	32.8	38.9	0.2	38.7	30.9478
Health care	35.9	0.1	35.8	24.4	30.9	0.1	30.8	22.1724
Industrial services, supplies and machinery	93.3	1.5	91.9	73.5	84.9	1.5	83.4	66.777
IT and telecommunication services	23.9	0.2	23.8	21.1	21.6	0.2	21.4	19.1363
Materials	45.3	1.2	44.1	34.3	44.0	1.3	42.7	31.8125
Non-profits and other associations	138.0	1.0	137.0	23.9	134.5	1.2	133.2	21.1074
Other commercial	37.7	0.2	37.4	30.0	49.2	0.3	48.9	40.2734
Shipping	43.7	2.0	41.8	19.3	39.3	1.8	37.5	17.9429
Transportation	20.4	0.2	20.1	10.9	17.7	0.2	17.5	9.0672
Personal customers	860.5	6.3	854.2	130.1	847.6	6.6	841.0	133.599
Total before collective impairment charges	2,473.0	27.2	2,445.8	963.8	2,297.3	29.0	2,268.2	753.726
Collective impairment charges	4.1	-	-	-	4.0	-	-	-
Total gross exposure	2,477.1	-	-	-	2,301.3	-	-	-

Notes – Danske Bank Group

Credit portfolio in core activities broken down by business unit

The table below breaks down credit exposure by core business unit and underlying segment.

(DKK billions)	30 June 2015				31 December 2014			
	Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral	Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral
Denmark	535.9	5.1	530.8	79.8	544.6	5.6	539.0	89.2
Finland	93.4	0.4	93.0	5.4	92.8	0.6	92.2	5.6
Sweden	74.4	0.1	74.3	10.4	71.6	0.1	71.6	10.4
Norway	103.2	0.1	103.1	23.3	85.6	0.1	85.5	20.7
Northern Ireland	20.6	0.4	20.2	2.4	18.7	0.2	18.5	2.5
Other	6.4	0.1	6.3	3.0	5.7	0.1	5.6	2.4
Personal Banking	833.9	6.3	827.6	124.3	819.1	6.7	812.4	130.9
Denmark	444.2	11.2	433.1	119.8	413.5	11.4	402.0	95.3
Finland	68.2	1.0	67.1	32.6	64.3	0.9	63.4	29.8
Sweden	137.3	0.6	136.7	46.9	123.9	0.6	123.2	42.1
Norway	73.1	0.7	72.4	27.9	65.5	0.7	64.8	27.1
Northern Ireland	41.7	4.0	37.7	17.0	35.6	4.7	30.9	14.9
Baltics	18.0	0.4	17.6	9.6	27.5	0.7	26.8	11.8
Other	-	-	-	-	-	-	-	-
Business Banking	782.6	17.9	764.7	253.8	730.3	19.1	711.2	220.9
C&I*	777.9	3.0	774.9	509.6	715.3	3.1	712.2	372.8
Other	78.7	0.0	78.7	76.0	32.6	0.1	32.4	29.1
Total before collective impairment charges	2,473.0	27.2	2,445.8	963.8	2,297.3	29.0	2,268.2	753.7
Collective impairment charges	4.1	-	-	-	4.0	-	-	-
Total gross exposure	2,477.1	-	-	-	2,301.3	-	-	-

*The Corporates & Institutions (C&I) segment comprises large corporate customers and financial institutions. As these customers typically have business activities in multiple countries, no single country can be specified.

Exposures subject to forbearance measures and repossessed assets

The Group adopts forbearance plans to assist customers in financial difficulty. Concessions granted to customers include interest-reduction schedules, interest-only schedules, temporary payment holidays, term extensions, cancellation of outstanding fees, waiver of covenant enforcement and settlements.

If it proves impossible to improve the customer's financial situation by forbearance measures, the Group will consider whether to subject the customer's assets to a forced sale or whether the assets could be realised later at higher net proceeds. At the end of June 2015, the Group recognised properties taken over in Denmark at a carrying amount of DKK 94 million (2014: DKK 106 million) and properties taken over in other countries at DKK 494 million (2014: DKK 520 million). The properties are held for sale and included under Other assets in the balance sheet

The table below shows the exposures that are subject to forbearance measures and is based on the EBA's definition as described in the Annual report 2014. The increase in forborne exposure to the refinancing segment, relates to pro active forbearance measures taken by the Bank to improve the financial position of weak customers.

(DKK millions)	30 June 2015		31 December 2014	
	Performing	Non-performing	Performing	Non-performing
Modification	111	1,264	163	1,394
Refinancing	1,110	8,052	789	3,884
Under probation	3,054	-	2,657	-
Total	4,275	9,316	3,609	5,278

Notes – Danske Bank Group

Non-performing loans

The Group defines non-performing loans as facilities with objective evidence of impairment and for which individual impairment charges have been booked. For non-retail exposures with any non-performing loans, the entire amount of the customer's exposure is considered to be non-performing. For retail exposures, only impaired facilities are included in non-performing loans. The Group's definition of non-performing loans differs from the EBA's definition by excluding fully covered exposures in default and performing forbore exposures under probation.

Non-performing loans in core activities

(DKK millions)	30 June 2015	31 December 2014
Total non-performing loans	28,805	29,390
-portion in default	11,242	10,573
Coverage ratio (default) (%)	94	96
Coverage ratio (non-default) (%)	68	73
Coverage ratio (total non-performing loans) (%)	83	86
Non-performing loans as a percentage of total gross exposure (%)	2	3

Allowance account in core activities broken down by segment

(DKK millions)	Personal Banking	Business Banking	C&I	Other	Allowance account total	Impairment Individual	Collective
1 January 2014	8,319	23,655	2,774	-	34,748	31,464	3,284
New and increased impairment charges	3,401	4,997	999	24	9,421	7,728	1,694
Reversals of impairment charges from previous periods	1,851	3,996	660	3	6,510	5,508	1,002
Write-offs debited to allowance account	1,298	3,035	149	22	4,503	4,503	-
Foreign currency translation	7	285	193	1	486	477	9
Other items	-196	-413	-1	2	-608	-608	-
31 December 2014	8,382	21,493	3,157	2	33,034	29,049	3,985
New and increased impairment charges	1,361	2,277	321	-	3,958	3,560	398
Reversals of impairment charges from previous periods	939	2,381	345	-	3,665	3,419	246
Write-offs debited to allowance account	569	1,564	317	-	2,451	2,451	-
Foreign currency translation	64	524	151	-	739	701	38
Other items	-76	-379	98	-2	-359	-255	-104
30 June 2015	8,222	19,968	3,065	-	31,256	27,185	4,071

Since 2014, the adjustment for credit risk on derivatives with customers subject to objective evidence of impairment was excluded from the allowance account relating to lending activities and presented as part of the CVA on derivatives.

Collective impairment charges include charges that reflect the migration of customers from one rating category to another. If all customers were downgraded one rating category with no corresponding interest rate change, collective impairment charges would increase by about DKK 3.0 billion (31 December 2014: about DKK 3.2 billion).

If the value of collateral provided by customers in rating categories 10 and 11 decreased 10%, individual impairment charges would increase by about DKK 2.4 billion (31 December 2014: about DKK 2.4 billion).

Notes – Danske Bank Group

Credit exposure from Non-core lending activities

The Non-core business unit is responsible for the controlled winding-up and divestment of exposures that are no longer considered part of the Group's core activities. The portfolio consists of the Non-core exposures in Ireland and the Baltics and conduits etc.

In 2014, the Irish commercial portfolio was significantly reduced through asset and portfolio sales. In the first quarter of 2015, the Group entered into a binding agreement on the sale of a portfolio of SME loans with a nominal value of DKK 3.9 billion. The transaction was settled in April 2015.

Credit portfolio in Non-core activities broken down by industry (NACE)

(DKK millions)	30 June 2015				31 December 2014			
	Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral	Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral
Personal customers	27,595	2,025	25,570	3,056	19,830	2,479	17,351	1,312
Consumer discretionary	253	166	87	21	551	477	74	-
Commercial property	1,408	604	805	405	3,415	2,733	682	-
Other	1,929	446	1,482	1,250	3,266	1,151	2,115	1,748
Non-core banking	31,185	3,241	27,944	4,732	27,062	6,840	20,222	3,060
Non-core conduits etc.	8,970	220	8,750	2,484	11,362	259	11,104	2,858
Total Non-core before collective impairment charges	40,154	3,460	36,694	7,215	38,425	7,099	31,326	5,917
Collective impairment charges	1,619	-	-	-	813	-	-	-
Total Non-core exposure	41,773	-	-	-	39,238	-	-	-

Credit portfolio in Non-core activities broken down by rating category

(DKK millions)	30 June 2015						31 December 2014			
	PD level		Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral	Gross exposure =a+b	Acc. individual impairment charges b	Net exposure a	Net exposure, ex collateral
	Upper	Lower								
1	0.00	0.01	209	-	209	7	996	-	996	-
2	0.01	0.03	3,171	-	3,171	495	3,109	-	3,109	435
3	0.03	0.06	1,333	-	1,333	787	1,494	-	1,494	548
4	0.06	0.14	1,992	-	1,992	674	1,698	-	1,698	583
5	0.14	0.31	3,579	-	3,579	2,006	2,271	-	2,271	632
6	0.31	0.63	1,768	-	1,768	239	840	-	840	-
7	0.63	1.90	13,201	-	13,201	761	9,843	-	9,843	1,510
8	1.90	7.98	2,884	-	2,884	-	3,424	-	3,424	1,161
9	7.98	25.70	1,084	-	1,084	142	791	-	791	306
10	25.70	99.99	4,072	649	3,423	1,154	3,720	676	3,044	743
11 (default)	100.00	100.00	6,861	2,811	4,050	950	10,238	6,423	3,815	-
Total before collective impairment charges			40,154	3,460	36,694	7,215	38,425	7,099	31,326	5,917
Collective impairment charges			1,619	-	-	-	813	-	-	-
Total gross exposure			41,773	-	-	-	39,238	-	-	-

Non-performing loans in Non-core activities

The net exposure from non-performing loans in Non-core amounted to DKK 6,954 million (31 December 2014: DKK 6,466 million), of which the average unsecured portion of non-performing loans was 27.7% at the end of June 2015 (31 December 2014: 10.8%).

Notes – Danske Bank Group

Exposure to counterparty risk (derivatives) and credit exposure from trading and investment securities

(DKK billions)	30 June 2015	31 December 2014
Counterparty risk		
Derivatives with positive fair value	334.5	409.4
Credit exposure from other trading and investment securities		
Bonds	577.9	654.2
Shares	15.3	9.8
Other unutilised commitments	0.5	0.5
Total	928.2	1,073.9

Other unutilised commitments comprises private equity investment commitments and other obligations.

Bond portfolio

(DKK millions)	Central and local govern- ment bonds	Quasi- government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
30 June 2015							
Held-for-trading	111,324	5,226	47,333	56,862	7,232	20,797	248,774
Designated at fair value	35,883	1,357	100,206	16,571	3,300	2,188	159,505
Available-for-sale	153	640	48,195	-	2,028	-	51,016
Hold-to-maturity	65,788	1,326	48,600	546	1,925	421	118,606
Total	213,148	8,548	244,334	73,979	14,485	23,406	577,900

31 December 2014

Held-for-trading	155,750	6,346	78,356	50,684	9,461	24,500	325,097
Designated at fair value	22,455	1,214	112,689	20,024	3,793	5,596	165,771
Available-for-sale	156	676	55,103	-	2,608	-	58,543
Hold-to-maturity	53,628	1,324	47,679	-	1,487	738	104,856
Total	231,989	9,560	293,827	70,708	17,349	30,834	654,267

At 30 June 2015, the Group had an additional bond portfolio worth DKK 145,335 million (31 December 2014: DKK 146,717 million) recognised as assets under insurance contracts and thus not included in the table above. The section on insurance risk in the consolidated financial statements for 2014 provides more information. For bonds classified as hold-to-maturity, fair value exceeded amortised cost at the end of 30 June 2015 and 31 December 2014.

Notes – Danske Bank Group

Bond portfolio broken down by geographical area

(DKK millions) 30 June 2015	Central and local govern- ment bonds	Quasi- government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
Denmark	17,208	-	244,173	-	-	2,715	264,096
Sweden	39,735	-	-	73,979	-	6,052	119,766
UK	22,970	140	-	-	2,865	1,489	27,464
Norway	5,558	-	-	-	5,881	2,570	14,009
USA	1,985	1,209	161	-	-	769	4,123
Spain	11,987	-	-	-	1,600	-	13,587
France	21,224	-	-	-	1,141	1,256	23,621
Luxembourg	-	6,976	-	-	-	17	6,993
Finland	14,378	190	-	-	1,637	2,493	18,698
Ireland	6,675	-	-	-	160	230	7,065
Italy	5,786	-	-	-	-	-	5,786
Portugal	1,324	-	-	-	-	-	1,324
Austria	8,130	-	-	-	-	1	8,131
Netherlands	9,551	-	-	-	81	3,295	12,927
Germany	35,398	-	-	-	377	956	36,731
Belgium	9,777	-	-	-	155	-	9,932
Other	1,464	33	-	-	588	1,562	3,648
Total	213,148	8,548	244,334	73,979	14,485	23,406	577,900
31 December 2014							
Denmark	16,835	-	293,827	-	1,508	6,748	318,919
Sweden	24,794	-	-	70,708	-	7,191	102,692
UK	17,434	102	-	-	3,443	1,667	22,646
Norway	8,556	-	-	-	6,741	3,138	18,435
USA	2,486	1,264	-	-	-	1,586	5,336
Spain	7,750	-	-	-	2,380	-	10,130
France	24,753	-	-	-	1,146	1,778	27,676
Luxembourg	-	8,133	-	-	-	49	8,182
Finland	18,406	60	-	-	1,525	2,566	22,557
Ireland	11,469	-	-	-	112	28	11,609
Italy	10,587	-	-	-	-	-	10,587
Portugal	2,123	-	-	-	-	-	2,123
Austria	8,876	-	-	-	-	2	8,877
Netherlands	14,986	-	-	-	171	3,375	18,533
Germany	50,644	-	-	-	233	1,458	52,335
Belgium	10,865	-	-	-	89	-	10,954
Other	1,425	2	-	-	-	1,248	2,675
Total	231,989	9,560	293,827	70,708	17,350	30,834	654,265

Exposures below DKK 1 billion are aggregated in the Other category. Risk Management 2014 provides additional details about the risk on the Group's bond portfolio. The publication is not covered by the statutory audit.

Notes – Danske Bank Group

[DKK millions]

Bond portfolio broken down by external ratings

(DKK millions) 30 June 2015	Central and local govern- ment bonds	Quasi- government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
AAA	107,524	5,402	238,570	73,979	11,929	410	437,814
AA+	62,927	1,556	-	-	429	701	65,614
AA	7,154	1,590	-	-	667	1,199	10,609
AA-	8,446	-	189	-	-	2,517	11,151
A+	153	-	2,617	-	132	3,869	6,771
A	170	-	12	-	1,133	6,137	7,453
A-	705	-	-	-	-	1,801	2,506
BBB+	7,807	-	-	-	186	2,452	10,445
BBB	16,516	-	308	-	-	2,272	19,096
BBB-	1	-	-	-	-	839	840
BB+	1,292	-	2,137	-	-	242	3,671
BB	32	-	-	-	-	465	496
BB-	-	-	-	-	-	29	29
Sub-inv. grade or unrated	422	-	502	-	9	473	1,406
Total	213,148	8,548	244,334	73,979	14,485	23,406	577,900
31 December 2014							
AAA	129,636	5,477	293,406	64,717	13,067	518	506,821
AA+	48,303	1,146	-	-	59	957	50,465
AA	15,207	2,937	-	5,990	1,473	934	26,542
AA-	6,426	-	199	-	-	3,852	10,477
A+	156	-	-	-	-	8,076	8,231
A	209	-	1	-	231	8,329	8,769
A-	3	-	-	-	1,466	2,315	3,784
BBB+	16,362	-	2	-	185	1,419	17,969
BBB	13,358	-	220	-	2	2,982	16,562
BBB-	34	-	-	-	401	343	778
BB+	2,157	-	-	-	184	249	2,590
BB	-	-	-	-	254	566	820
BB-	-	-	-	-	8	26	35
Sub-inv. grade or unrated	137	-	-	-	18	267	422
Total	231,989	9,560	293,827	70,708	17,349	30,834	654,267

The breakdown of the bond portfolio between the various rating categories in Annual Report 2014 was incorrect and has been changed in the comparative figures above.

Derivatives with positive fair value	30 June 2015	31 December 2014
Derivatives with positive fair value before netting	537,357	838,311
Netting (under accounting rules)	202,838	347,929
Carrying amount	334,519	490,382
Netting (under capital adequacy rules)	239,116	355,693
Net current exposure	95,403	134,689
Collateral	48,202	67,139
Net amount	47,201	67,550
Derivatives with positive fair value after netting for accounting purposes:		
Interest rate contracts	228,682	310,001
Currency contracts	104,202	179,305
Other contracts	1,635	1,076
Total	334,519	490,382

Interim financial statements – Danske Bank A/S

(DKK millions)

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 No. 281 of 26 March 2014 on Financial Reports for Credit Institutions and Investment Companies, etc.

The rules are identical to the Group's IFRS-compliant valuation and measurement principles with the following exceptions:

- Domicile property is measured (revalued) at its estimated fair value through Other comprehensive income.
- The available-for-sale financial assets category is not used.

The estimated fair value of domicile property is determined in accordance with the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. Available-for-sale financial assets are measured at fair value through profit or loss.

Holdings in subsidiaries are measured on the basis of the equity method, and tax payable by these undertakings is expensed under Income from associates and group undertakings.

The format of the Parent Company's financial statements is not identical to the format of the consolidated financial statements prepared in accordance with IFRSs.

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 with Danish FSA rules.

	Net profit		Total equity	
	First half 2015	First half 2014	30 June 2015	31 December 2014
Consolidated financial statements (IFRSs)	9,419	6,924	160,055	152,384
Domicile property	-7	-28	1,012	1,013
Available-for-sale financial assets	-37	155	-	-
Tax effect	34	-17	-182	-209
Reserves in undertakings consolidated on a pro rata basis	-	-	3,002	3,002
Consolidated financial statements (Danish FSA rules)	9,409	7,034	163,887	156,190
Non-controlling interests	-	2	-	2
Reserves in undertakings consolidated on a pro rata basis	-	-	3,002	3,002
Goodwill on acquisition of non-controlling interests	-	-	-	-
Parent Company financial statements (Danish FSA rules)	9,409	7,032	160,884	153,186

The subsidiary, Danica Pension, has changed the accounting for a pension scheme for around 200 current and 1,100 former employees of Danske Bank held with Danica Pension. This change has reduced shareholders' equity at 1 January 2014 by 839 million for Danske Bank A/S. The end-2014 effect is a decrease in holdings in group undertakings and in shareholders' equity of DKK 736 million. The net profit for 2014 has been increased by DKK 103 million. Further information is given in note 1 to the consolidated financial statement.

Income statement – Danske Bank A/S

Note	(DKK millions)	First half 2015	First half 2014
	Interest income	14,546	16,908
	Interest expense	5,789	8,736
	Net interest income	8,757	8,172
	Dividends from shares etc.	1,083	1,227
	Fee and commission income	6,015	5,314
	Fees and commissions paid	1,276	1,269
	Net interest and fee income	14,578	13,444
1	Value adjustments	-686	554
	Other operating income	929	737
	Staff costs and administrative expenses	7,586	8,071
	Amortisation, depreciation and impairment charges	827	918
	Other operating expenses	15	4
	Loan impairment charges etc.	50	1,048
	Income from associates and group undertakings	4,437	3,194
	Profit before tax	10,780	7,888
	Tax	1,371	854
	Net profit for the period	9,409	7,034

Statement of comprehensive income – Danske Bank A/S

(DKK millions)	First half 2015	First half 2014
Net profit for the period	9,409	7,034
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	289	-32
Tax	-27	30
Items that will not be reclassified to profit or loss	262	-2
Items that are or may be reclassified subsequently to profit or loss		
Translation of units outside Denmark	1,039	402
Hedging of units outside Denmark	-1,166	-380
Fair value adjustment of domicile property	6	-127
Tax	225	76
Items that are or may be reclassified subsequently to profit or loss	104	-29
Total other comprehensive income	366	-31
Total comprehensive income for the period	9,776	7,003
Portion attributable to		
shareholders of Danske Bank A/S (the Parent Company)	9,498	6,905
Additional tier 1 capital holders	279	98
Total comprehensive income for the period	9,776	7,003

Balance sheet – Danske Bank A/S

Note	(DKK millions)	30 June 2015	31 December 2014	30 June 2014
ASSETS				
	Cash in hand and demand deposits with central banks	77,993	16,789	23,601
	Due from credit institutions and central banks	197,436	127,570	144,297
2	Loans and other amounts due at amortised cost	868,006	901,168	894,030
	Bonds at fair value	443,732	557,128	543,597
	Bonds at amortised cost	77,183	67,377	57,595
	Shares etc.	14,310	8,867	6,726
	Holdings in associates	906	1,004	901
	Holdings in group undertakings	101,204	102,981	98,351
	Assets under pooled schemes	50,718	47,320	47,286
	Intangible assets	10,309	10,201	19,281
	Land and buildings	3,242	3,247	3,373
	Investment property	320	301	350
	Domicile property	2,922	2,946	3,023
	Other tangible assets	2,878	2,709	2,541
	Current tax assets	2,385	1,189	650
	Deferred tax assets	281	441	386
	Assets temporarily taken over	44	2,562	269
	Other assets	350,037	424,170	284,064
	Prepayments	1,427	989	898
Total assets		2,202,092	2,275,712	2,127,846
LIABILITIES AND EQUITY				
AMOUNTS DUE				
	Due to credit institutions and central banks	363,623	381,372	348,735
	Deposits and other amounts due	771,475	794,027	856,074
	Deposits under pooled schemes	51,775	48,407	48,409
	Issued bonds at amortised cost	289,953	268,892	234,322
	Current tax liabilities	413	751	676
	Other liabilities	519,080	579,539	433,718
	Deferred income	993	1,026	987
Total amounts due		1,997,312	2,074,014	1,922,921
PROVISIONS FOR LIABILITIES				
	Provisions for pensions and similar obligations	332	449	664
	Provisions for deferred tax	6,344	6,609	6,470
2	Provisions for losses on guarantees	1,147	1,201	1,187
	Other provisions for liabilities	126	110	464
Total provisions for liabilities		7,949	8,369	8,785
SUBORDINATED DEBT				
	Subordinated debt	35,947	40,144	40,160
EQUITY				
	Share capital	10,086	10,086	10,086
	Accumulated value adjustments	-90	33	230
	Equity method reserve	29,881	29,881	25,089
	Retained earnings	109,666	101,964	114,909
	Proposed dividends	-	5,547	-
Shareholders of Danske Bank A/S (the Parent Company)		149,543	147,510	150,314
	Additional tier 1 etc.	11,341	5,674	5,666
Total equity		160,884	153,184	155,980
Total liabilities and equity		2,202,092	2,275,712	2,127,846

Statement of capital – Danske Bank A/S

(DKK millions)

Changes in equity	Share capital	Foreign currency translation reserve	Revaluation reserve	Equity method reserve	Retained earnings	Proposed dividends	Total	Additional tier 1 capital	
								Additional tier 1 capital	Total
Total equity at 1 January 2015	10,086	-469	502	30,617	101,964	5,547	148,247	5,674	153,921
Changed recognition of defined benefit plans	-	-	-	-736	-	-	-736	-	-736
Restated total equity at 1 January 2015	10,086	-469	502	29,881	101,964	5,547	147,511	5,674	153,185
Net profit for the period	-	-	-	-	9,130	-	9,130	279	9,409
Other comprehensive income									
Remeasurement of defined benefit plans	-	-	-	-	289	-	289	-	289
Translation of units outside Denmark	-	1,039	-	-	-	-	1,039	-	1,039
Hedging of units outside Denmark	-	-1,166	-	-	-	-	-1,166	-	-1,166
Fair value adjustment of domicile property	-	-	6	-	-	-	6	-	6
Sale of domicile property	-	-	-1	-	1	-	-	-	-
Tax	-	-	-1	-	200	-	199	-	199
Total other comprehensive income	-	-127	4	-	490	-	367	-	367
Total comprehensive income for the period	-	-127	4	-	9,620	-	9,498	279	9,776
Transactions with owners									
Issuance of additional tier 1 capital, net of transaction costs	-	-	-	-	-56	-	-56	5,583	5,527
Paid interest on additional tier 1 capital	-	-	-	-	-	-	-	-161	-161
Dividends paid	-	-	-	-	53	-5,547	-5,495	-	-5,495
Dividends proposed	-	-	-	-	-	-	-	-	-
Acquisition of own shares and additional tier 1 capital	-	-	-	-	-18,372	-	-18,372	-34	-18,406
Sale of own shares and additional tier 1 capital	-	-	-	-	16,424	-	16,424	-	16,424
Share-based payments	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	33	-	33	-	33
Total equity at 30 June 2015	10,086	-596	506	29,881	109,666	-	149,543	11,341	160,884

Statement of capital – Danske Bank A/S

(DKK millions)

Changes in equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Equity method reserve	Retained earnings	Proposed dividends	Total	Additional tier 1 capital	Total
Total equity at 1 January 2014	10,086	-434	596	25,928	108,410	2,017	146,603	-	146,603
Changed recognition of defined benefit plans	-	-	-	-839	-	-	-839	-	-839
Restated total equity at 1 January 2014	10,086	-434	596	25,089	108,410	2,017	145,764	-	145,764
Net profit for the period	-	-	-	-	6,936	-	6,936	98	7,034
Other comprehensive income									
Remeasurement of defined benefit plans	-	-	-	-	-32	-	-32	-	-32
Translation of units outside Denmark	-	402	-	-	-	-	402	-	402
Hedging of units outside Denmark	-	-380	-	-	-	-	-380	-	-380
Fair value adjustment of domicile property	-	-	49	-	-176	-	-127	-	-127
Sale of domicile property	-	-	-6	-	6	-	-	-	-
Tax	-	-	3	-	103	-	106	-	106
Total other comprehensive income	-	22	46	-	-99	-	-31	-	-31
Total comprehensive income for the period	-	22	46	-	6,837	-	6,905	98	7,003
Transactions with owners									
Issuance of additional tier 1 capital, net of transaction costs	-	-	-	-	-59	-	-59	5,597	5,538
Paid interest on additional tier 1 capital	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	17	-2,017	-2,000	-	-2,000
Dividends proposed	-	-	-	-	-	-	-	-	-
Acquisition of own shares and additional tier 1 capital	-	-	-	-	-15,571	-	-15,571	-40	-15,611
Sale of own shares and additional tier 1 capital	-	-	-	-	15,231	-	15,231	11	15,242
Share-based payments	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	43	-	43	-	43
Total equity at 30 June 2014	10,086	-412	642	25,089	114,909	-	150,314	5,666	155,980

Notes – Danske Bank A/S

Note	(DKK millions)		30 June 2015	30 June 2014		
1	Value adjustments					
	Loans at fair value		-488	150		
	Bonds		-2,332	1,162		
	Shares etc.		812	829		
	Investment property		3	9		
	Currency		920	870		
	Derivatives		-2,455	-228		
	Assets under pooled schemes		-91	2,651		
	Deposits under pooled schemes		-	-2,700		
	Other liabilities		2,945	-2,189		
	Total		-686	554		
2	Impairment charges for loans and guarantees					
		Loans and guarantees, individual impairment	Loans and guarantees, collective impairment	Other amounts due, individual impairment	Other amounts due, collective impairment	Total
	Impairment charges at 1 January 2015	25,671	3,514	92	-	29,277
	Impairment charges during the period	2,931	791	3	-	3,725
	Reversals of impairment charges from previous periods	7,444	418	16	-	7,878
	Other changes	533	-251	5	-	287
	Impairment charges at 30 June 2015	21,691	3,636	84	-	25,411
	Value adjustment of assets taken over	-	-	-	-	-
	Impairment charges at 1 January 2014	31,673	2,624	88	-	34,385
	Impairment charges during the year	6,896	2,316	2	-	9,214
	Reversals of impairment charges from previous years	11,596	804	2	-	12,402
	Other changes	-1,302	-622	4	-	-1,920
	Impairment charges at 31 December 2014	25,671	3,514	92	-	29,277
	Value adjustment of assets taken over	-	-	-	-	-

Notes – Danske Bank A/S

	First half 2015	Full year 2014	First half 2014
RATIOS AND KEY FIGURES			
Total capital ratio (%)	23.2	24.3	23.5
Tier 1 capital ratio (%)	20.5	21.1	20.3
Common equity Tier 1 capital ratio (%)	17.7	19.1	18.4
Return on equity before tax (%)	6.8	4.0	5.2
Return on equity after tax (%)	6.0	2.7	4.7
Income/cost ratio (%)	227.10	119.70	178.60
Interest rate risk (%)	2.1	1.6	1.5
Foreign exchange position (%)	4.3	3.5	6.6
Foreign exchange risk (%)	-	-	-
Loans plus impairment charges as % of deposits	108.5	110.3	102.4
Gearing of loans	5.4	5.9	5.7
Growth in loans (%)	5.1	-	1.5
Surplus liquidity in relation to statutory liquidity requirement (%)	165.6	141.0	129.8
Sum of large exposures as % of total capital	-	-	-
Funding ratio	0.60	0.60	0.60
Lending growth (year-on-year) (%)	3.6	-	-4.0
Real property exposure	13	10	10
Impairment ratio (%)	0.0	0.3	0.1
Return on assets (%)	0.43	0.18	0.33
Earnings per share (DKK)	9.3	4.0	7.0
Book value per share (DKK)	162.1	152.9	155.7
Proposed dividend per share (DKK)	-	5.5	-
Share price end of period/earnings per share (DKK)	21.2	41.9	22.0
Share price end of period/book value per share (DKK)	1.21	1.10	0.99

The ratios and key figures are defined by the Danish FSA in its Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

Statement by the management

The Board of Directors and the Executive Board (the management) have considered and approved Interim Report - first half 2015 of Danske Bank Group.

The consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial reporting, as adopted by the EU, and the Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for listed financial companies.

In our opinion, the interim financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, total equity and financial position at 30 June 2015 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the period starting 1 January 2015 and ending on 30 June 2015. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

Copenhagen, 22 July 2015

Executive Board

Thomas F. Borgen
Chief Executive Officer

Tonny Thierry Andersen

James Ditmore

Gilbert Kohnke

Lars Mørch

Henrik Ramlau-Hansen

Glenn Söderholm

Board of Directors

Ole Andersen
Chairman

Trond Ø. Westlie
Vice Chairman

Urban Bäckström

Lars Förberg

Jørn P. Jensen

Rolv Erik Ryssdal

Carol Sergeant

Jim Hagemann Snabe

Kirsten Ebbe Brich
Elected by the employees

Carsten Eilertsen
Elected by the employees

Charlotte Hoffmann
Elected by the employees

Steen Lund Olsen
Elected by the employees

AUDITORS' REPORT

INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL STATEMENTS

To the shareholders of Danske Bank A/S

We have reviewed the interim financial statements of Danske Bank A/S for the financial period 1 January to 30 June 2015, pp. 26-65 which comprise the income statement, statement of comprehensive income, balance sheet, statement of capital and selected notes for the Group and the Parent Company, respectively, as well as the consolidated cash flow statement.

Management's responsibility for the interim financial statements

Management is responsible for the preparation of consolidated interim financial statements in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Danish disclosure requirements for listed financial companies and for the preparation of the Parent Company's interim financial statements in accordance with the Danish Financial Business Act and Danish disclosure requirements for listed financial companies, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the interim financial statements. We conducted our review in accordance with the International Standard on Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires that we express a conclusion about whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, have not been prepared, in all material respects, in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to review interim financial information performed by the independent auditor of the entity is a limited assurance engagement. The auditor performs procedures primarily consisting of inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

A review is substantially less in scope than an audit performed in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements have not been prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Danish disclosure requirements for listed financial companies and that the parent interim financial statements have not been prepared, in all material respects, in accordance with the Danish Financial Business Act and Danish disclosure requirements for listed financial companies.

Copenhagen, 22 July 2015

Deloitte
Statsautoriseret Revisionspartnerselskab

Erik Holst Jørgensen
State-Authorised
Public Accountant

Jens Ringbæk
State-Authorised
Public Accountant

Supplementary information

Conference call

Danske Bank will hold a conference call on 22 July 2015 upon the presentation of its interim report for the first half 2015. The conference call is scheduled for 2.30pm CET. The conference call will be webcast live at danskebank.com.

Financial calendar

29 October 2015	Interim Report – First nine months 2015
2 February 2016	Annual Report 2015
17 March 2016	Annual General Meeting
29 April 2016	Interim Report – First quarter 2016
21 July 2016	Interim Report – First half 2016
28 October 2016	Interim Report – First nine months 2016

Contacts

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Links

Danske Bank	danskebank.com
Denmark	danskebank.dk
Finland	danskebank.fi
Sweden	danskebank.se
Norway	danskebank.no
Northern Ireland	danskebank.co.uk
Ireland	danskebank.ie
Realkredit Danmark	rd.dk
Danske Capital	danskecapital.com
Danica Pension	danicapension.dk

Danske Bank's financial statements are available online at danskebank.com/Reports.