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MANAGEMENT'S REPORT

Non-core

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Financial highlights - Danske Bank Group

INCOME STATEMENT	01	01	Index	Ω4	Index	Full year
(DKK millions)	2015	2014	15/14	2014	01/04	2014
Net interest income*	5,313	5,155	103	5,742	93	22,313
Net fee income*	3,046	2,564	119	3,153	97	11,154
Net trading income*	2,715	1,901	143	928	293	6,693
Other income	360	309	117	366	98	1,344
Net income from insurance business	777	405	192	1,032	75	2,362
Total income	12,211	10,335	118	11,221	109	43,866
Operating expenses	5,437	5,432	100	6,090	89	22,641
Goodwill impairment charges	-	-	-	9,099	-	9,099
Profit before loan impairment charges	6,774	4,903	138	-3,968	-	12,126
Loan impairment charges	502	641	78	853	59	2,788
Profit before tax, core	6,272	4,262	147	-4,821	-	9,338
Profit before tax, Non-core	90	-632	-	-477	-	-1,503
Profit before tax	6,362	3,630	175	-5,298	-	7,835
Tax	1,411	818	172	987	143	3,989
Net profit for the period	4,951	2,812	176	-6,285	_	3,846
Net profit for the period before goodwill impairment charges	4,951	2,812	176	2,814	176	12,945
Attributable to additional tier 1 etc.**	118	18		80	148	261
	110	10	-		140	201
BALANCE SHEET (END OF PERIOD)						
(DKK millions)	100 5 40	70.100	1.01	07.700	101	07.700
Due from credit institutions and central banks Repo loans	102,548 288,269	78,109 301,725	131 96	63,786 290,095	161 99	63,786 290,095
Loans	1,605,022	1,558,948	103	1,563,729	103	1,563,729
Trading portfolio assets	800,072	706,906	113	742,512	108	742,512
Investment securities	321,892	202,060	159	330,994	97	330,994
Assets under insurance contracts	286,539	251,323	114	268,450	107	268,450
Total assets in Non-core	39,626	39,485	100	32,329	123	32,329
Other assets	227,190	175,662	129	161,120	141	161,120
Total assets	3,671,158	3,314,218	111	3,453,015	106	3,453,015
Due to credit institutions and central banks	122,144	137,125	89	126,800	96	126,800
Repo deposits	428,853	445,300	96	400,618	107	400,618
Deposits	826,761	781,700	106	763,441	108	763,441
Bonds issued by Realkredit Danmark	678,875	623,956	109	655,965	103	655,965
Other issued bonds	350,724	308,336	114	330,207	106	330,207
Trading portfolio liabilities	609,719	386,249	158	550,629	111	550,629
Liabilities under insurance contracts	304,224	266,629	114	287,315	106	287,315
Total liabilities in Non-core Other liabilities	7,421 147,528	11,997 135,832	62 109	4,950 138,943	150 106	4,950 138,943
Subordinated debt	36,948	65,277	57	41,028	90	41,028
Additional tier 1 etc.**	11,375	5,575	204	5,675	200	5,675
Shareholders' equity	146,587	146,242	100	147,445	99	147,445
Total liabilities and equity	3,671,158	3,314,218	111	3,453,015	106	3,453,015
RATIOS AND KEY FIGURES						
Earnings per share (DKK)***	4.9	2.8		-6.4		3.6
Diluted earnings per share (DKK)***	4.9	2.8		-6.3		3.6
Return on avg. shareholders' equity (% p.a.)***	13.2	7.7		-16.9		2.4
Return before goodwill impairment charges on						
avg. shareholders' equity (% p.a.)***	13.2	7.7		7.1		8.5
Return on avg. tangible equity (% p.a.)****	14.8	9.4		8.7		10.3
Net interest income as % p.a. of loans and deposits	0.87	0.88		0.99		0.96
Cost/income ratio (%)	44.5	52.6		135.4		72.4
Cost/income ratio before goodwill impairment charges [%]	44.5	52.6		54.3		51.6
Total capital ratio [%] Common equity tier 1 capital ratio [%]	18.4	18.1		19.3		19.3
Share price (end of period) (DKK)	14.1 183.5	14.0 151.0		15.1 167.4		15.1 167.4
Book value per share [DKK]***	146.7	146.3		147.5		147.5
Full-time-equivalent staff (end of period)	18,715	19,016		18,603		18,603
* Changes have been made to the highlights for 2014, as prese		,_,_		,555		,000

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

** Additional tier 1 capital holders and non-controlling interests.

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

**** The ratio is adjusted for intangible assets. Average tangible equity is calculated as a quarterly average.

Executive summary

"In the first quarter of 2015, we saw the benefit of our diversified business model and posted strong earnings despite the adverse effect of low interest rates on net interest income," says Thomas F. Borgen, Chief Executive Offi-

"We saw very high customer activity within mortgage refinancing and in the financial markets, and all in all, we made a good start to the year. It is especially satisfying that our focus on delivering great value to our customers continues to improve our underlying business.

Although we have posted strong earnings, we maintain our guidance for the year because of considerable uncertainty about future interest rates, developments in the financial markets and the level of customer activity."

First quarter in summary:

- Net profit totalled DKK 5.0 billion, an increase of 76% from the level in the first quarter of 2014.
- Net interest income rose 3% to DKK 5.3 billion.
- Net fee income totalled DKK 3.0 billion, an increase of 19%.
- Net trading income rose 43% to DKK 2.7 billion.
- Net income from insurance business amounted to DKK 0.8 billion, an increase of 92%.
- Operating expenses were flat at DKK 5.4 billion, and the cost/income ratio improved 8.1 percentage points to 44.5%.
- Loan impairments in our core activities amounted to DKK 0.5 billion, or 0.11% of lending and guarantees, against 0.14% a year ago.
- Non-core activities posted a profit before tax of DKK 0.1 billion, against a loss before tax of DKK 0.6 bil-
- The return on shareholders' equity after tax was 13.2% p.a., against 7.7%.
- The common equity tier 1 (CET1) capital ratio and the total capital ratio were 14.1% and 18.4%, respectively, against 15.1% and 19.3% at 31 December 2014. The liquidity coverage ratio (LCR) was 131% at 31 March 2015.

The ECB's quantitative easing programme and several reductions of short-term interest rates by the Danish central bank led to an environment of negative short-term interest rates, which put our net interest income under pressure.

As a result of Danske Bank's diversified business model, however, we had a strong first quarter. Net profit totalled DKK 5.0 billion, and the increase of 76% from the first quarter of 2014 was driven mainly by higher net trading income owing to high customer activity in the financial markets and positive fair value adjustments as a result of declining interest rates.

Furthermore, net fee income increased 19% to DKK 3.0 billion, benefitting from a high level of mortgage refinancing, as many of our customers took advantage of the historically low interest rates. At DKK 5.3 billion, net interest income remained almost flat, however, as the negative interest rates increased the pressure on deposit margins.

Overall, our underlying business and financial results continued to improve as a result of our continued efforts to increase the value we deliver to our customers across the business.

This progress is evidenced by increasing lending volumes in most markets and a good inflow of new customers. Particularly in Norway, we made progress and saw increased customer acquisition at both Business Banking and Personal Banking. At Corporates & Institutions, income from bond issuance and corporate finance activities continued to increase owing to a strong development in client activity. Danske Capital had a good inflow of assets under management, and Danica Pension also saw a positive trend in the underlying insurance business.

Loan impairments continued to show a declining trend, reflecting the ongoing improvement of credit quality supported by a slightly more positive macroeconomic environment.

The winding-up of our Irish Non-core portfolio continued as we sold most of the remaining commercial portfolio, which consisted of some 3,000 loans with a gross value of DKK 3.9 billion.

With stable costs and strong income, the cost/income ratio improved to 44.5%

In March, Moody's placed Danske Bank's ratings under review for a potential upgrade, continuing the positive trend of rating upgrades from 2014. We also continued to adjust our capital structure, issuing additional tier 1 capital for EUR 750 million in the euro market in February.

On 30 March, we initiated our DKK 5.0 billion share buy-back programme, which may run until 31 December 2015. The share buy-back reduced our CET1 capital ratio at 31 March by 0.6 of a percentage point.

Ambitions and targets

The table shows the financial targets we aim to meet no later than at end-2018.

The targets are intended to provide transparency regarding Danske Bank's financial developments and progress on strategy execution.

Financial targets	Target	Status at 31 March 2015	Comments	2015 ambition
Shareholders' return on equity	Above 12.5%*	13.2%	Initiatives progressing as planned	9.5%
Ratings	A ratings	S&P/Moody's/Fitch A/A3/A Negative/Stable/Stable	In progress. In March 2015 Moody's placed our ratings under review for a potential upgrade	S&P rating outlook improved to stable
Common equity tier 1 capital ratio	Minimum 13%	14.1%	Met since end-2012	Around 14%
Total capital ratio	Minimum 17%	18.4%	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.

We remain committed to our target of a return on equity of above 12.5% in 2018 at the latest. We have a firm focus on executing the income and cost initiatives necessary to achieve this target.

In the first quarter of 2015, Moody's placed Danske Bank's ratings under review for a potential upgrade. For further information on ratings, please see the financial review on page 11.

We have met our capital targets since the end of 2012. At 31 March 2015, the CET1 capital ratio was 14.1% and the total capital ratio was 18.4%.

We aim to pay dividends of 40-50% of net profit. For 2014, we paid dividends of 43% of net profit before goodwill impairments.

Outlook for 2015

We reaffirm our guidance for 2015 of a net profit of above DKK 14 billion. We maintain this outlook, even though the first-quarter financial results exceeded our expectations. We base this on a combination of factors: Danish central bank rates remain very uncertain, economic growth, though improving, remains slow and fragile, and the future levels of customer activity, particularly in the financial markets, are uncertain.

We expect total income at around the same level as in 2014. Income will benefit from the high net trading income in the first quarter and from lower funding costs. On the other hand, negative interest rates will put pressure on net interest 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 remain at a low level.

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 quarter of 2015, Danske Bank Group posted a profit before tax from core activities of DKK 6.3 billion, up DKK 2.0 billion from the level in the first quarter of 2014.

Income

Total income amounted to DKK 12.2 billion and was up 18% from the level in the first quarter of 2014.

Net interest income totalled DKK 5.3 billion and was up 3% from the year-earlier level, owing mainly to the repayment of the hybrid capital raised from the Danish state in the second quarter of 2014 and larger business volumes.

Net fee income rose 19% to DKK 3.0 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 2.7 billion, an increase of 43% from the year-earlier level. The increase was generated primarily by high customer activity in the financial markets and positive fair value adjustments resulting from the decline in interest rates. The income was negatively affected by improvements of the model for credit value adjustments (CVA).

Net income from insurance business rose DKK 0.4 billion or 92%. The result benefited from a positive development in the financial markets, which led to higher investment income and enabled the Group to book the full risk allowance to income for all of the four interest rate groups.

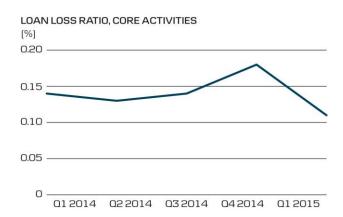
Expenses

Operating expenses amounted to DKK 5.4 billion, and were flat from the first guarter 2014 level. The cost/income ratio improved 8.1 percentage points to 44.5%, owing to higher customer activity.

Expenses for VAT, bank tax and financial services employer tax amounted to DKK 0.5 billion, unchanged from the first quarter of 2014.

Loan impairments

Loan impairments in core activities declined to DKK 0.5 billion, or 0.11% of lending and guarantees, against DKK 0.6 billion, or 0.14% of lending and guarantees, in the first quarter of 2014. The lower impairment level reflected improving macroeconomic conditions.



LOAN IMPAIRMENT CHARGES					
	01 2015		01 20	014	
		% of lending		% of lending	
(DKK millions) Ch	narges	and	Charges	and	
		guarantees		guarantees	
Personal Banking	245	0.12	337	0.17	
Business Banking	91	0.06	299	0.20	
C&I	164	0.11	5	0.00	
Total	502	0.11	641	0.14	

Tax

Tax on the profit for the first quarter amounted to DKK 1.4 billion, or 22.2% of the profit before tax.

Q1 2015 vs Q4 2014

Profit before tax amounted to DKK 6.4 billion, against a loss of DKK 5.3 billion in the fourth quarter of 2014. In the fourth quarter of 2014, Danske Bank posted goodwill impairments of DKK 9.1 billion.

At DKK 5.3 billion, net interest income decreased slightly, primarily as a result of the decline in interest rates and fewer interest days in the first quarter.

Net trading income amounted to DKK 2.7 billion, against DKK 0.9 billion in the fourth quarter. Income increased because of improved market conditions and higher customer activity within our market making activities at Corporates & Institutions and fair value adjustments at Group Treasury.

The insurance business generated a net income of DKK 0.8 billion, against DKK 1.0 billion in the fourth quarter of 2014. The fall occurred because DKK 0.6 billion was booked from the shadow account in the fourth quarter of 2014.

Operating expenses declined 11% from the fourthquarter level to DKK 5.4 billion. The decrease was owing to severance pay, other restructuring costs, and higher IT and marketing costs in the fourth quarter of 2014.

Loan impairments in core activities decreased to DKK 0.5 billion from DKK 0.9 billion in the fourth quarter of 2014. Loan impairments in the fourth quarter included collective charges related to AQR adjustments of DKK 0.3 billion.

Balance sheet

LENDING (END OF PERIOD) [DKK billions]	01 2015	01 2014	Index 15/14	04 2014	Index Q1/Q4
Personal Banking	807.5	804.8	100	794.1	102
Business Banking	644.0	622.3	103	633.7	102
C&I	189.7	169.0	112	172.4	110
Other Activities incl. eliminations	-3.7	-3.8	-	-4.1	-
Allowance account, lending	32.5	33.4	97	32.4	100
Total lending	1,605.0	1,558.9	103	1,563.7	103

DEPOSITS (END OF PERIOD)					
Personal Banking	334.8	330.0	101	329.5	102
Business Banking	262.2	259.0	101	259.8	101
C&I	230.0	189.4	121	174.2	132
Other Activities incl. eliminations	-0.2	3.3	-	-0.1	-
Total deposits	826.8	781.7	106	763.4	108

BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIO	D)				
Bonds issued Own holdings of bonds	678.9 69.8	624.0 115.8	109 60	656.0 88.5	103 79
Total Realkredit Danmark bonds	748.7	739.7	101	744.5	101
Other covered bonds	218.1	192.8	113	211.7	103
Deposits and issued mortgage bonds etc.	1,793.6	1,714.3	105	1,719.6	104
Lending as % of deposits and issued mortgage bonds etc.	89.5	90.9		90.9	

Lending

At the end of March 2015, total lending was up 3% 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 17.4 billion. Lending to personal customers accounted for DKK 8.9 billion of this amount.

In Denmark, our market share of total lending, including repo loans, increased to 27.5% from 26.5% at the end of 2014, and the market share in Norway also increased. In Sweden, our market share of lending decreased slightly, whereas in Finland, we maintained our market share of lending.

MARKET SHARES OF LENDING [%]	28 February 2015	31 December 2014
Denmark (excluding mortgage loans)	27.5	26.5
Finland	9.8	9.8
Sweden	4.8	4.9
Norway	4.8	4.6

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

Lending equalled 89.5% 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 March 2015, total deposits were up 8% from the level at the end of 2014, with increases recorded at all banking units, in particular at Corporates & Institutions. The Group maintained its strong funding position.

MARKET SHARES OF DEPOSITS [%]	28 February 2015	31 December 2014
Denmark	28.4	27.1
Finland	12.7	11.9
Sweden	4.2	4.2
Norway	5.4	5.1

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

Total assets

Total assets were up 6% from the end of 2014, mainly because of higher lending and increases in the value of derivatives and demand deposits with central banks. The increase in the value of derivatives was driven by changes in interest and exchange rates.

Credit exposure

Net credit exposure totalled DKK 3,954 billion, against DKK 3,722 billion at the end of 2014. Exposure from trading and investment activities amounted to DKK 1,123 billion of the total credit exposure, against DKK 1,074 billion at the end of 2014. Exposure from lending activities amounted to DKK 2,416 billion, against DKK 2,268 billion at the end of 2014.

Home loans to personal customers accounted for 31% of the exposure from lending activities, and repo transactions accounted for some 12%. The credit quality of these portfolios is good.

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

Credit quality

The slowly improving macroeconomic conditions supported credit quality, and impairments have decreased since the end of 2014. Total net nonperforming loans (NPL) amounted to DKK 29.9 billion, of which 37% was in default. NPL coverage ratios, after collateral haircuts, improved and remained high.

The risk management notes on pp. 48-57 provide more information about non-performing loans.

NON PERFORMING LOANS (NPL) [DKK millions)	31 Mar. 2015	31 Dec. 2014
Gross NPL Individual allowance account	59,386 29,506	58,439 29,049
Net NPL	29,880	29,390
Collateral (after haircut)	26,024	24,722
NPL coverage ratio (%) NPL coverage ratio of which is in default (%) NPL as percentage of total gross exposure	88.4 98.4 2.4	86.2 95.5 2.5

The 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 29.5 billion, or 1.5% of lending and guarantees. Accumulated collective impairments amounted to DKK 3.6 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						
	Q1 a	2015	042014			
Acc	cumulated	% of lending	Accumulated	% of lending		
In	npairment	and	Impairment	and		
(DKK millions)	charges*	guarantees	charges*	guarantees		
Personal Banking	8,317	1.01	8,383	1.03		
Business Banking	21,267	3.18	21,542	3.28		
C&I	3,554	0.77	3,157	0.54		
Other Activities						
incl. eliminations	-66	-	-47	-		
Total	33,071	1.70	33,034	1.73		

^{*} Includes amounts for credit institutions, loans and guarantees.

Recognised losses were unchanged at DKK 1.0 billion. Of these losses, DKK 0.2 billion was attributable to facilities not already subject to impairment.

Trading and investment activities

Credit exposure from trading and investment activities amounted to DKK 1,123 billion at 31 March 2015, against DKK 1,074 billion at 31 December 2014. The increase in credit exposure from trading and investment activities was owing to higher market volatility, which led to a rise in the value of derivatives.

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 610 billion. Of the total bond portfolio, 82% was recognised at fair value and 18% at amortised cost.

BOND PORTFOLIO [%]	31 March 2015	31 December 2014
Government bonds and bonds guaranteed	d	
by central or local governments	39	35
Bonds issued by quasi-government		
institutions	1	1
Danish mortgage bonds	42	45
Swedish covered bonds	11	11
Other covered bonds	2	3
Corporate bonds	5	5
Total holdings	100	100
Hold-to-maturity bonds included in		
total holdings	18	16
Available-for-sale bonds included in		
total holdings	9	9

Capital and solvency

Danske Bank's capital management policies and practices support its business strategy and ensure that it is sufficiently capitalised to withstand severe macroeconomic downturns.

Danske Bank has set capital targets: a total capital ratio of at least 17% and a common equity tier 1 (CET1) capital ratio of at least 13%. Danske Bank has met these targets since the end of 2012. In the current low-growth environment, which entails macro-economic and regulatory uncertainty, Danske Bank considers 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 have been met.

At the end of March 2015, the total capital ratio was 18.4%, and the CET1 capital ratio was 14.1%.

TOTAL CAPITAL AND RISK EXPOSURE AMO (DKK billions)	UNT 2015	2014
CET 1 instruments AT1 capital instruments, less statutory	126	131
deductions	19	14
T2 instruments, less statutory deductions	20	23
Total capital	165	167
Risk exposure amount	896	866

At the end of March 2015, Danske Bank's solvency need amounted to DKK 94.9 billion, or 10.6% of the total risk exposure amount (REA). At 31 March 2015, total capital thus included DKK 70.2 billion in excess of the solvency need.

REA rose DKK 30 billion from the level at the end of 2014, primarily because of the effect of increased lending activity with credit risk and increased market volatility, which led to a rise in market and counterparty risk.

In February 2015, Danske Bank issued a total of DKK 5.6 billion of additional tier 1 capital. At the end of March 2015, the issue represented 0.6 of a percentage point of the total capital ratio.

The share buy-back programme of DKK 5.0 billion was initiated on 30 March 2015 and may run until 31 December 2015. The share buy-back had a negative effect on our CET1 capital ratio of 0.6 of a percentage point at 31 March.

Ratings

Danske Bank's long- and short-term ratings were unchanged in the first quarter of 2015.

DANSKE BANK'S RATINGS AT 31 MARCH 2015							
Moody's S&P Fitch							
Long-term	A3	А	А				
Short-term	P-2	A-1	F1				
Outlook	Stable	Negative	Stable				

DANSKE BANK OYJ'S RATINGS AT 31 MARCH 2015					
Moody's S&P					
Long-term	A2	А			
Short-term	P-1	A-1			
Outlook	Negative	Negative			

In March 2015, Moody's changed its bank rating methodology. Danske Bank has therefore been placed under review for a potential upgrade. Danske Bank Oyj has been placed under review for a potential downgrade because of expectations of reduced government support to banks.

Mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark are rated AAA by S&P (stable outlook).

Realkredit Danmark bonds are also rated by Fitch Ratings. Bonds issued from capital centre S are rated AAA, 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 described in more detail in Risk Management 2014, which is available at danskebank.com/ir.

Funding and liquidity

With a liquidity buffer of DKK 412 billion at the end of March 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 131% at the end of March 2015, Danske Bank was 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 quarter of 2015, Danske Bank issued senior debt for DKK 6.7 billion, covered bonds for DKK 8.1 billion, and additional tier 1 capital for 5.6 billion, totaling DKK 20.4 billion. We also redeemed long-term debt of DKK 11 billion.

At 31 March 2015, the total amount of outstanding long-term funding, excluding additional tier 1 capital and senior debt issued by Realkredit Danmark, was DKK 341 billion, against DKK 330 billion at the end of 2014.

DANSKE BANK EXCLUDING REALKREDIT DANMARK						
	31 March 31 Decemb					
(DKK billions)	2015	2014				
Covered bonds	194	186				
Senior unsecured debt	110	103				
Subordinated debt	37	41				
Total	341	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 31 March 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

Danske Bank is following the phase-in of the Capital Requirements Regulation and Directive (CRR/CRD IV] in accordance with Danish rules.

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

The 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. On 18 January 2015, a Commission Delegated Regulation entered into force which changed the CRR/CRD IV definition of total exposure. On the basis of the new definition, Danske Bank Group's leverage ratio was 4.1% at 31 March 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 3.7%.

Danske Bank has been designated a SIFI in Denmark and is from 1 January 2015 required to comply with an additional CET1 capital buffer requirement of 0.6%. The additional CET1 capital buffer requirement will gradually increase to 3% in 2019. At 31 March 2015, the SIFI buffer amounted to DKK 5.4 billion.

The Banking Recovery and Resolution Directive The directive is intended to prevent banks from failing and to provide a legal framework for managing failing banks. The directive (including bail-in provisions) is expected to be implemented in Danish law by 1 June 2015.

According to the directive, 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 resolution fund will be established, and each 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.

Shareholders

At the end of the first quarter of 2015, A.P. Møller and Chastine Mc-Kinney Møller Foundation and companies of the A.P. Moller - Maersk Group, Copenhagen, held 21.60% of Danske Bank's total issued share capital. At the end of 2014, this shareholding was 22.98%.

At the end of the first quarter of 2015, Cevian Capital II GP Limited, Jersey had a holding of 7.70% of Danske Bank's total issued share capital. At the end of 2014, this shareholding was 9.29%.

Personal Banking

Key developments first quarter 2015 vs first quarter 2014

- Profit before tax of DKK 1.3 billion, up 26%
- Return on allocated capital of 20.1%, up 7.4 percentage points
- Total income of DKK 4.2 billion, up 4%
- Net interest income of DKK 2.4 billion, down 8%
- Net fee income of DKK 1.4 billion, up 27%
- Operating expenses of DKK 2.6 billion, down 1%
- Impairments of DKK 0.2 billion, down 27%
- Cost/income ratio improved 3.0 percentage points to 63.0%

The negative effect of falling interest rates during the first quarter was offset by strong activity within mortgage refinancing and investments. Combined with tight cost control and falling impairments, this resulted in an increase in profit before tax.

PERSONAL BANKING [DKK millions]	Q1 2015	01 2014	Index 15/14	Q4 2014	Index Q1/Q4	Full year 2014
Net interest income	2,398	2,615	92	2,660	90	10,764
Net fee income	1,351	1,062	127	1,224	110	4,567
Net trading income	268	205	131	264	102	723
Other income	153	138	111	137	112	632
Total income	4,170	4,020	104	4,285	97	16,686
Operating expenses	2,627	2,652	99	2,839	93	10,626
Goodwill impairment charges	-	-	-	5,539	-	5,539
Profit before loan impairment charges	1,543	1,368	113	-4,093		521
Loan impairment charges	245	337	73	517	47	1,412
Profit before tax	1,298	1,031	126	-4,610		-891
Profit before tax and goodwill impairment charges	1,298	1,031	126	929	140	4,648
Loans, excluding reverse trans. before impairments	807,549	804,827	100	794,063	102	794,063
Allowance account, loans	7,616	7,558	101	7,668	99	7,668
Deposits, excluding repo deposits	334,783	329,959	101	329,463	102	329,463
Bonds issued by Realkredit Danmark	425,741	424,302	100	426,203	100	426,203
Allowance account, guarantees	701	604		714	98	714
Allocated capital (average)	25,881	32,431	80	29,855	87	31,722
Net interest income as % p.a. of loans and deposits	0.85	0.92		0.95		0.96
Profit before loan impairment charges as % p.a. of allocated						
capital before goodwill impairment charges	23.8	16.9		18.2		18.8
Profit before tax as % p.a. of allocated capital (ROE)						
before goodwill impairment charges	20.1	12.7		11.7		14.4
Cost/income ratio before goodwill impairment charges (%)	63.0	66.0		66.3		63.7
Full-time-equivalent staff	6,713	6,823	98	6,673	101	6,673

Note 2 and Fact Book Q1 2015 provides financial highlights at country level for Personal Banking. Fact Book Q1 2015 is available at danskebank.com/ir.

Q1 2015 vs Q1 2014

Profit before tax increased 26% to DKK 1.3 billion, and the return on allocated capital improved 7.4 percentage points to 20.1%. The adverse effect of negative interest rates in Denmark and Sweden and falling rates in several of our other markets was offset by lower impairments, improved net fee income and net trading income and efficiency gains.

Total income amounted to DKK 4.2 billion. The decline in interest rates put pressure on deposit margins, and net interest income thus fell 8% from the level in the year-earlier period.

Net fee income rose 27% and net trading income rose 31%, however. These trends were supported mainly by keen customer interest in investment solutions because of the historically low interest rate levels across all markets. In Denmark, we saw very strong activity within mortgage refinancing, which supported both net fee and net trading income.

Operating expenses were flat.

Loan impairments fell 27% to DKK 0.2 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.

Total net credit exposure increased to DKK 827 billion in the first quarter of 2015, mainly because of an increase in our activity in Sweden and Norway in particular. The strengthening of the Norwegian krone also caused an increase in the exposure measured in Danish kroner.

	Net credit expo	Impairments	
(DKK million)	31 March 2015	31 Dec. 2014	31 March 2015
Denmark	538,395	538,980	0.20
Finland	92,400	92,234	0.10
Sweden	73,074	71,552	-0.04
Norway	97,496	85,461	-0.02
Northern Ireland	19,913	18,499	-0.36
Other	6,019	5,631	-1.77
Total	827,297	812,357	0.12

Credit quality

Credit quality was generally stable and improved slightly in some areas. Most markets are still supported by low interest rates and an improved macroeconomic outlook.

The delinquency rate at Realkredit Danmark continued to be at a low and stable level, and the loan loss ratio was stable in the first quarter of 2015 as well.

Individual impairments continued their downward trend from 2014, ending at DKK 245 million in the first quarter of 2015.

LOAN-TO-VALUE RATIO, HOME LOANS								
	31 Mar	rch 2015	31 Decem	nber 2014				
		Credit		Credit				
		exposure		exposure				
	LTV (%)	(DKK bn)	LTV (%)	(DKK bn)				
Denmark	72.9	499	72.9	500				
Finland	62.0	84	61.3	84				
Sweden	64.9	63	65.8	61				
Norway	64.2	75	63.5	65				
Northern Ireland	71.2	18	71.3	17				
Average	70.1		70.1					

Q1 2015 vs Q4 2014

Profit before tax and goodwill impairments increased 40% to DKK 1.3 billion in the first quarter of 2015 because of lower expenses and impairments.

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

Net fee income improved 10% owing to keener customer interest in investment solutions and mortgage refinancing. This helped mitigate the effect of the fall in net interest income.

Operating expenses fell 7% because of lower IT, premises and marketing expenses.

Impairment charges dropped 53% as collective impairments were high in the fourth quarter of 2014 as a result of the asset quality review.

Business Banking

Key developments first quarter 2015 vs first quarter 2014

- Profit before tax of DKK 1.8 billion, up 39%
- Return on allocated capital of 18.7%, up 6.8 percentage points
- Total income of DKK 3.2 billion, up 9%
- Net interest income of DKK 2.2 billion, up 7%
- Operating expenses of DKK 1.3 billion, down 2%
- Impairments of DKK 91 million, down 70%
- Cost/income ratio improved 4.7 percentage points to 41.5%

Profit before tax rose as a result of increased business momentum across all markets. Lending volumes and business activity rose during the quarter and the rise more than offset the impact of the decline in interest rates. Loan impairments benefited from efforts to improve credit quality and more positive market conditions.

BUSINESS BANKING [DKK millions]	01 2015	01 2014	Index 15/14	04 2014	Index Q1/Q4	Full year 2014
Net interest income	2,224	2,085	107	2,301	97	8,978
Net fee income	572	507	113	552	104	2,082
Net trading income	212	195	109	192	110	637
Other income*	174	132	132	136	128	516
Total income	3,182	2,919	109	3,181	100	12,213
Operating expenses	1,322	1,348	98	1,555	85	5,473
Goodwill impairment charges	-	-	-	3,559	-	3,559
Profit before loan impairment charges	1,860	1,571	118	-1,933	-	3,181
Loan impairment charges	91	299	30	161	57	1,007
Profit before tax	1,769	1,272	139	-2,094	-	2,174
Profit before tax and goodwill impairment charges	1,769	1,272	139	1,465	121	5,733
Loans, excluding reverse trans. before impairments	644,031	622,318	103	633,746	102	633,746
Allowance account, loans	20,981	22,885	92	21,267	99	21,267
Deposits, excluding repo deposits	262,206	259,040	101	259,770	101	259,770
Bonds issued by Realkredit Danmark	300,035	290,230	103	294,661	102	294,661
Allowance account, guarantees	291	382	76	281	104	281
Allocated capital (average)	37,791	42,934	88	39,698	95	42,084
Net interest income as % p.a. of loans and deposits	1.00	0.97		1.06		1.03
Profit before loan impairment charges as % p.a. of allocated						
capital before goodwill impairment charges	19.7	14.6		15.9		15.9
Profit before tax as % p.a. of allocated capital (ROE)						
before goodwill impairment charges	18.7	11.9		14.3		13.5
Cost/income ratio before goodwill impairment charges [%]	41.5	46.2		48.9		44.8
Full-time-equivalent staff	3,115	3,740	83	3,663	85	3,663

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

Note 2 and Fact Book Q1 2015 provides financial highlights at country level for Business Banking. Fact Book Q1 2015 is available at danskebank.com/ir.

Q1 2015 vs Q1 2014

Business Banking's return on allocated capital improved from 11.9% in the first quarter of 2014 to 18.7%, mainly because of a drop in loan impairments and an improved top line.

Total income increased 9% as both net interest income and net fee income showed a positive development. Income initiatives and more business compensated for lower interest rate levels.

With an increase of 13%, net fee income showed a positive trend. Net fee income benefited from a high level of mortgage refinancing caused by the low interest rates.

Net trading income was up 9%, primarily because of higher fair value adjustments of the bond portfolio at Realkredit Danmark.

Operating expenses fell 2% on the basis of continued efficiency improvements.

Credit exposure

Total net credit exposure amounted to DKK 748 billion at the end of the first quarter of 2015, against DKK 711 billion at the end of 2014.

(DKK millions)	Net credit e 31 March 2015	Impairments (ann.)(%) 31 March 2015	
Denmark*	427,554	402,035	0.20
Finland	65,596	63,422	0.34
Sweden	132,997	123,229	0.10
Norway	70,272	64,779	-0.36
Northern Ireland	35,370	30,946	-1.37
Baltics	16,087	26,802	-0.32
Other	9	5	-
Total	747,885	711,219	0.06

^{*} Including deposits with credit institutions and central banks, which increased DKK 17 billion from the level at the end of 2014.

Credit quality improving

Ongoing efforts to improve credit quality in the wake of the financial crisis combined with more stable conditions in most markets contributed to customer rating category upgrades and a reduction of loan impairment charges.

Impairment charges fell to DKK 91 million in the first quarter of 2015 from DKK 299 million in the first quarter of 2014, a reduction of 70%. Most of the charges were made against exposures in Denmark, and they remained at a stable level. Net reversals were made in Norway and Northern Ireland, primarily in relation to commercial property exposures.

The outlook for the Danish agricultural sector remained weak during the first quarter.

012015 vs 042014

Profit before tax amounted to DKK 1.8 billion in the first quarter of 2015, and the return on allocated capital before goodwill impairments increased from 14.3% to 18.7%, primarily owing to declining loan impairments and lower costs.

Total income was at the same level as in the fourth quarter of 2014.

Net interest income remained relatively stable, even though deposit margins were under pressure as a result of the decline in interest rates in the first quarter of 2015. Net fee income showed a rise.

Net trading income was up because of higher fair value adjustments of the bond portfolio in Realkredit Danmark.

Operating expenses fell as a result of lower severance costs and a continued focus on efficiency.

Impairments remained at a very low level.

Corporates & Institutions

Key developments first quarter 2015 vs. first quarter 2014

- Profit before tax of DKK 1.6 billion, up 37%
- Return on allocated capital of 17.3%, up 4.9 percentage points
- Total income of DKK 3.0 billion, up 27%
- FICC income of DKK 1.4 billion, up 53%
- Capital Markets income of DKK 0.5 billion, up 17%
- General Banking income of DKK 1.0 billion, up 7%
- Operating expenses of DKK 1.2 billion, up 3%
- Impairments of DKK 0.2 billion
- The cost/income ratio improved 9.2 percentage points to 39.0%

Profit before tax rose as a result of increased client activity and volatile financial markets. Operating expenses increased slightly, because of a significant increase in income.

CORPORATES & INSTITUTIONS [DKK millions]	01 2015	01 2014	Index 15/14	04 2014	Index Q1/Q4	Full year 2014
Net interest income	660	599	110	717	92	2,717
Net fee income	577	514	112	592	97	2,205
Net trading income*	1,732	1,220	142	791	219	4,192
Other income	2	1	190	4	53	7
Total income	2,971	2,334	127	2,103	141	9,121
Operating expenses	1,158	1,126	103	1,196	97	4,614
Profit before loan impairment charges	1,813	1,208	150	907	200	4,507
Loan impairment charges	164	5		177	93	372
Profit before tax	1,649	1,203	137	730	226	4,135
Loans, excluding reverse trans. before impairments	189,735	169,028	112	172,393	110	172,393
Allowance account, loans	3,193	2,399	133	2,782	115	2,782
Allowance account, credit institutions	91	125	73	91	100	91
Deposits, excluding repo deposits	229,998	189,398	121	174,221	132	174,221
Bonds issued by Realkredit Danmark	22,933	25,168	91	23,636	97	23,636
Allowance account, guarantees	270	321	84	285	95	285
Allocated capital (average)	38,061	38,723	98	37,458	102	37,789
Net interest income as % p.a. of loans and deposits	0.63	0.67		0.83	_	0.79
Profit before loan impairment charges as % p.a.					į	
of allocated capital	19.1	12.5		9.7	į	11.9
Profit before tax as % p.a. of allocated capital (ROE)	17.3	12.4		7.8	į	10.9
Cost/income ratio (%)	39,0	48.2		56.9	į	50.6
Full-time-equivalent staff	1,826	1,568	116	1,646	111	1,646

TOTAL INCOME [DKK millions]						
FICC	1,419	925	153	636	223	3,196
Capital Markets	503	429	117	361	139	1,650
General Banking	1,049	980	107	1,106	95	4,275
Total income	2,971	2,334	127	2,103	141	9,121

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

Q1 2015 vs Q1 2014

At DKK 1.6 billion, profit before tax was up 37% from the level in the first quarter of 2014. The main reason was an increase in net trading income from higher client activity and volatile financial markets. The return on allocated capital increased 4.9 percentage points to 17.3%.

The improvement in General Banking income of 7% related mainly to net interest income. The increase was driven by higher volumes and margins on lending, while the increase in deposit volumes did not contribute because margins were adversely affected by negative interest rates.

At Capital Markets, income from bond issuance and corporate finance activities continued to increase owing to a strong development in client activity. The investments in the equity franchise also contributed to the improvement in income.

FICC benefited from increased client activity and volatile market conditions during the first quarter of 2015. The income was negatively affected by improvements of the model for credit value adjustments (CVA).

Operating expenses increased slightly from the level in the first quarter of 2014. The increase related to accrual of performance-based compensation resulting from the increase in income.

Loan impairments increased in the first quarter of 2015. New impairments were made for a small number of clients only.

Credit exposure

The loan portfolio quality at Corporates & Institutions is considered to be strong. At 31 March 2015, total credit exposure from lending activities, including repo transactions, amounted to DKK 782 billion. The total portfolio increased 10% from the level at year-end 2014, driven mainly by an increase in deposits with central banks as a result of the substantial inflow of liquidity into the Danish financial system. Exposure to sovereigns thus increased, while exposure to corporate clients and financial institutions remained fairly stable compared with the level at year-end 2014.

Impairments have fluctuated over the past quarters and are expected to continue to do so quarter-onquarter given Corporates & Institutions' activities. In the first quarter of 2015, total impairments for Corporates & Institutions amounted to DKK 164 million and related mainly to additional impairments against previously impaired exposures. Accumulated impairments (the allowance account) totalled DKK 3.6 billion and related to a small number of corporate clients.

(DKK millions)	Net credit exposes 31 March 2015	Impairments (ann.)(%) 31 March 2015	
Sovereign Financial Institutions Corporate Other	124,969 334,738 322,103 66	54,130 342,672 315,336 98	- 0.26 21.30
Total	781,876	712,236	0.11

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

Q1 2015 vs Q4 2014

Profit before tax increased 226% from the fourth quarter of 2014 to the first quarter of 2015, because of higher net trading income.

General Banking income decreased from the level in the previous quarter because of lower deposit margins.

At Capital Markets, activity within both bond issuance and equity-related services increased. Corporate finance fees decreased from the level in the fourth quarter of 2014 because of seasonality.

FICC income increased significantly owing to both customer activity and volatile conditions in the financial markets.

Operating expenses decreased 3% despite increased accrual for performance-based compensation. The decrease was owing mainly to severance costs and an increase in other expenses, including IT, in the fourth quarter of 2014.

Danske Capital

Key developments first quarter 2015 vs first quarter 2014

- Profit before tax of DKK 0.3 billion, up 22%
- Total income of DKK 0.6 billion, up 15%
- Expenses of DKK 0.2 billion, up 7%
- Net sales of DKK 11 billion, with 40% to clients outside Denmark
- Assets under management amounted to DKK 813 billion

The 22% increase in profit was driven by higher assets under management. At the end of the first quarter of 2015, assets under management amounted to DKK 813 billion, up DKK 18 billion from year-end 2014.

DANSKE CAPITAL (DKK millions)	01 2015	01 2014	Index 15/14	04 2014	Index Ω1/Ω4	Full year 2014
Net interest income	-2	-	-	2	-	2
Net fee income	567	494	115	825	69	2,402
Other income	2	-1	-	-	-	1
Total income	567	493	115	827	69	2,405
Operating expenses	244	228	107	253	96	999
Profit before tax	323	265	122	574	56	1,406
Loans, excluding reverse trans. before impairments	101	333	30	340	30	340
Deposits, excluding repo deposits	196	116	169	132	149	132
Allocated capital (average)	2,626	2,580	102	2,540	103	2,567
Cost/income ratio (%)	43.0	46.2		30.6		41.5
Assets under management (DKK billions)	813	748	109	795	102	795

BREAKDOWN OF NET FEE INCOME [DKK millions]						
Performance fees	14	20	71	288	5	328
Other fee income	553	474	117	537	103	2,074
Total net fee income	567	494	115	825	69	2,402

Q1 2015 vs Q1 2014

Total income rose 15% from DKK 0.5 billion to DKK 0.6 billion. The higher income was driven by higher assets under management (up 9%) and a moderate rise in margins from 0.26% to 0.27% driven by improvements in the product mix.

Assets under management amounted to DKK 813 billion and were up DKK 65 billion from the end of the first quarter of 2014. The rise was based on net sales of DKK 34 billion on the back of closer cooperation with Personal Banking and gains on securities of DKK 68 billion. A transfer of assets to Danica Pension of DKK 37 billion as a consequence of their new investment strategy had a negative impact.

At the end of the quarter, in response to the low interest rates, Danske Capital launched new investment products tailored to customers, who want alternatives to bank deposits. In addition, Danske Private Equity, which is part of Danske Capital, launched the sixth private equity fund-of-funds, PEP VI, and raised assets of DKK 4.4 billion.

The table below shows the percentage of Danske investment products with above-Capital's benchmark returns for various asset classes in 2015 and for a rolling 36-month period.

% OF INVESTMENT PRODUCTS (GIPS COMPOSITES) WITH ABOVE BENCHMARK RETURNS (PRE-COSTS)								
2015 Past 36 months								
All funds	67	72						
Equity funds	59	70						
Fixed-income funds	71	79						
Balanced funds, etc.	85	67						

In the first quarter of 2015, 67% of all Danske Capital investment products generated benchmark returns.

012015 vs 042014

Total income excluding performance fees was up 3% to DKK 0.6 million. Performance fees fell from DKK 288 million to DKK 14 million because performance fee agreements with clients are typically measured at year end, with booking and payments made in the fourth quarter. The first-quarter performance fees of DKK 14 million relate to clients with quarterly payment.

Net sales of DKK 11 billion in the first quarter of 2015 comprised net sales to retail clients of DKK 5 billion and to institutional clients of DKK 6 billion.

Expenses fell 4% from the fourth quarter because of lower marketing expenses.

Danica Pension

Key developments first quarter 2015 vs first quarter 2014

- Result from insurance business of DKK 0.5 billion, up 7%
- Net income of DKK 0.8 billion, up 92%
- Return on allocated capital of 26.0%, up 12.6 percentage points
- Premiums of DKK 8.4 billion, up 6%
- Return on investments of DKK 0.4 billion, up from DKK 0.1 billion

Because of the positive investment result for customers with Danica Traditional, the risk allowance could be booked to income in full for all four interest rate groups, and no transfer to the shadow account was necessary. The increase in net income from insurance business of DKK 372 million was driven mainly by higher investment return as a result of the fall in interest rates.

DANICA PENSION (DKK millions)	01 2015	01 2014	Index 15/14	04 2014	Index Q1/Q4	Full year 2014
Danica Traditionel	333	304	110	289	115	1,237
Unit-linked business	153	147	104	95	161	573
Health and accident business	-36	-32	-	-28	-	-302
Result from insurance business	450	419	107	356	126	1,508
Return on investments	360	110	-	78	-	441
Financing result	-12	-49	-	-20	-	-116
Special allotment	-21	-24	-	-10	-	-82
Change in shadow account	-	-52	-	628	-	611
Net income from insurance business	777	405	192	1,032	75	2,362
Premiums, insurance contracts	5,640	5,905	96	4,929	114	20,693
Premiums, investment contracts	2,713	1,940	140	1,548	175	6,129
Provisions, insurance contracts	291,583	263,331	111	259,601	112	259,601
Provisions, investment contracts	43,515	35,970	121	33,580	130	33,580
Customer funds, investment assets						
Danica Traditionel	181,220	170,649	106	176,505	103	176,505
Danica Balance	77,599	61,286	127	70,711	110	70,711
Danica Link	74,717	63,091	118	66,417	112	66,417
Allocated capital (average)	11,954	12,087	99	11,926	100	11,974
Net income as % p.a. of allocated capital	26.0	13.4		34.6		19.7

Q1 2015 vs Q1 2014 Activities in Denmark

In Denmark, total premiums were down 6% to DKK 5.2 billion. As expected, total premiums for Danica Traditionel decreased 12% to DKK 1.3 billion. Premiums for the Danica Balance, Danica Link and Danica Select unit-linked products, including transfers from Danica Traditionel, rose 5%. At the end of the first quarter of 2015, about 200,000 customers had chosen these products.

At the end of the first quarter of 2015, the collective bonus potential for the contribution groups was DKK 4.9 billion, up DKK 2.4 billion from the level at 1 January 2015.

Activities outside Denmark

Danica Pension's activities outside Denmark generated premiums of DKK 3.2 billion.

At the Swedish unit, total premiums increased 46% to DKK 2.7 billion, mainly because of strong sales of the custody account savings product.

At the Norwegian unit, total premiums rose 9% to DKK 0.5 billion, primarily because of premiums from new corporate customers.

Income

Net income from insurance business was DKK 0.8 billion, against DKK 0.4 billion in the first quarter 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 quarter of 2014, the Group booked the risk allowance for three of the four interest rate groups.

The technical result of Danica Traditionel was DKK 333 million, against DKK 304 million in the first quarter of 2014.

The technical result of the unit-linked business was DKK 153 million, an increase from the first quarter of 2014 of DKK 6 million, mainly attributable to a larger business volume. Unit-linked business accounted for DKK 20 million in Sweden and DKK 19 million in Norway.

The health and accident business posted a negative technical result of DKK 36 million, against a negative result of DKK 32 million in the first quarter of 2014.

The return on investments rose to DKK 360 million, against DKK 110 million in the first quarter of 2014. The rise was caused by higher returns on bonds resulting from the lower interest rates, and higher prices on shares.

012015 vs 042014

In the first quarter of 2015, net income from insurance business amounted to DKK 0.8 billion, against DKK 1.0 billion in the fourth quarter of 2014. The fall occurred because DKK 0.6 billion was booked from the shadow account in the fourth quarter of 2014.

The technical result of the unit-linked business was higher in the first quarter of 2015 because of a larger business volume.

The return on investments of Danica Traditionel customer funds was 5.9%, against 3.7% in the fourth quarter of 2014. Including changes in technical provisions, the return on customer funds was 4.0%.

The return on investments for customers with the Danica Balance, Danica Link and Danica Select products totalled DKK 7.6 billion, representing an average rate of return of 7.9%, against 2.4% in the fourth quarter of 2014.

In Denmark, total premiums rose 12% to DKK 5.2 billion. Total premiums for all markets rose 29%, and amounted to DKK 8.4 billion.

Non-core

Key developments first quarter 2015 vs first quarter 2014

- Profit before tax improved to DKK 0.1 billion from a loss of DKK 0.6 billion
- Net impairment reversal of DKK 0.1 billion
- Loan portfolio before impairments of DKK 44.6 billion, down 13%

The improvement was driven by a decline in impairments in the first quarter of 2015 that was due mainly to better conditions on the property market.

NON-CORE [DKK millions]	01 2015	01 2014	Index 15/14	04 2014	Index Q1/Q4	Full year 2014
Total income	54	48	113	53	102	209
Operating expenses	100	377	27	117	85	782
Profit before loan impairment charges	-46	-329		-64	-	-573
Loan impairment charges	-136	303	-	413	-	930
Profit before tax	90	-632	-	-477	-	-1,503
Loans, excluding reverse trans. before impairments	44,559	51,213	87	37,462	119	37,462
Allowance account, loans	7,705	11,971	64	7,853	98	7,853
Deposits, excluding repo deposits	6,719	11,000	61	4,331	155	4,331
Allowance account, guarantees	74	49	151	59	125	59
Allocated capital (average)	9,167	9,148	100	7,757	118	8,420
Net interest income as % p.a. of loans and deposits Profit before loan impairment charges as % p.a.	0.44	0.25		0.61		0.55
of allocated capital	-2.0	-14.4		-3.3		-6.8
Profit before tax as % p.a. of allocated capital (ROE)	3.9	-27.6		-24.6		-17.9
Cost/income ratio [%]	185.2	-	23.6	220.8	84	374.2
Full-time-equivalent staff	428	217	197	75	-	75

LOAN IMPAIRMENT CHARGES [DKK millions]						
Non-core banking*	-130	117	-	482	-	733
Non-core conduits etc.	-6	186	-	-69	-	197
Total	-136	303	-	413	-	930

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

Q1 2015 vs Q1 2014

Profit before tax was DKK 0.1 billion, up from a loss of DKK 0.6 billion, mainly because of lower impairments. Total lending amounted to DKK 44.6 billion and consisted mainly of exposure to conduits and personal mortgages.

The SME portfolio in Ireland was sold during the first quarter of 2015 with effect from April 2015, as of when the exposure will thus not affect the Group's capital charge. The portfolio had been presented as held for sale since the fourth quarter of 2014. This was a significant step in deleveraging the remaining commercial book in Ireland. At the end of March 2015, the commercial book in Ireland is almost run down and a sale has been agreed for the majority of the remaining portfolio.

Net credit exposure and impairment charges Deleveraging proceeded according to plan. Net credit exposure to Non-core decreased to DKK 38.8 billion from DKK 39.7 billion in the first quarter of 2014, although exposure to personal banking Baltics of DKK 8.3 billion entered the book in the first quarter of 2015.

Personal mortgages in the Baltics and Ireland accounted for around 64% of the total portfolio. The mortgages will mature according to contractual terms.

The Non-core conduits portfolio amounted to DKK 11.1 billion, against DKK 11.9 billion in the first quarter 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 0.1 billion, against charges of DKK 0.3 billion in the first quarter of 2014. This development was driven by reversals of previously made impairments in Ireland on the basis of the improved property market.

	Net credit exposure Accumulat impairment charg				
	31 March	31 Dec.	31 March	31 Dec.	
(DKK million)	2015	2014	2015	2014	
Non-core Banking -of which Personal	27,659	20,222	7,541	7,643	
customers	24,930	17,351	3,611	3,024	
Non-core conduits etc.	11,140	11,104	238	269	
Total	38,799	31,326	7,779	7,912	

Q1 2015 vs Q4 2014

Impairments improved from a charge of DKK 0.4 billion in the fourth quarter of 2014 to a net reversal of DKK 0.1 billion in the first quarter of 2015. This development relates mainly to improvements in the property market.

Total lending increased to DKK 44.6 billion from the level in the fourth quarter of 2014 as a result of the inclusion of Non-core Baltics.

Other Activities

Key developments first quarter 2015 vs first quarter 2014

- Profit before tax of DKK 459 million, against DKK 86 million in the first quarter of 2014
- Total income of DKK 545 million, against DKK 164 million in the first quarter of 2014
- Operating expenses of DKK 85 million, up 9%

Positive fair value adjustments drove the increase in profit before tax.

OTHER ACTIVITIES [DKK millions]	01 2015	01 2014	Index 15/14	04 2014	Index Q1/Q4	Full year 2014
Net interest income	32	-143	-	61	52	-148
Net fee income	-21	-12	-	-39	-	-102
Net trading income	499	282	177	-321	-	1,140
Other income	35	37	94	92	38	189
Total income	545	164	-	-207	-	1,079
Operating expenses	85	78	109	248	34	930
Profit before loan impairment charges	460	86	-	-455	-	149
Loan impairment charges	1	-	-	-2	-	-2
Profit before tax	459	86	-	-453	-	151

PROFIT BEFORE TAX [DKK millions]						
Group Treasury	488	260	188	-244	-	1,010
Own shares	-99	-117	-	-35	-	-196
Group support functions	70	-57	-	-174	-	-663
Total Other Activities	459	86	-	-453	-	151

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

Q1 2015 vs. Q1 2014

Other Activities posted a profit before tax of DKK 459 million, against DKK 86 million in the first quarter of 2014.

Total income benefited, among other things, from the decline in interest rates, which resulted in a higher return on the Group's liquidity portfolio and thus an increase in net trading income. Net trading income also benefited from value adjustments in the private equity portfolio, for which value adjustments are normally made in the first half of the year following the approval of annual reports.

Q1 2015 vs Q4 2014

In the first quarter of 2015, profit before tax was DKK 459 million, against a negative DKK 453 million in the fourth quarter of 2014.

Net trading income amounted to DKK 499 million, against a negative DKK 321 million in the fourth quarter. The first quarter of 2015 benefited from positive fair value adjustments of the liquidity portfolio, whereas negative fair value adjustments of the portfolio of short-dated mortgage bonds had an adverse effect in the fourth quarter of 2014.

Income statement – Danske Bank Group

Note	(DKK millions)	01 2015	01 2014	Full year 2014
	Interest income	15,711	16,800	66,951
	Interest expense	7,314	8,805	32,344
	Net interest income	8,397	7,995	34,607
	Fee income	3,886	3,486	14,585
	Fee expenses	1,148	1,074	4,771
	Net trading income	11,439	2,358	9,720
3	Other income	879	535	4,547
	Net premiums	5,538	5,804	20,631
	Net insurance benefits	16,155	8,177	33,024
	Operating expenses	6,106	6,352	25,642
	Goodwill impairment charges	-	-	9,099
	Profit before loan impairment charges	6,728	4,574	11,553
4	Loan impairment charges	366	944	3,718
	Profit before tax	6,362	3,630	7,835
	Тах	1,411	818	3,989
	Net profit for the period	4,951	2,812	3,846
	Portion attributable to			
	shareholders of Danske Bank A/S (the Parent Company)	4,833	2,794	3,585
	additional tier 1 capital holders	118	18	259
	non-controlling interests	-	-	2
	Net profit for the period	4,951	2,812	3,846
	Earnings per share (DKK)	4.9	2.8	3.6
	Diluted earnings per share (DKK)	4.9	2.8	3.6
	Proposed dividend per share (DKK)	-	-	5.5

Statement of comprehensive income – Danske Bank Group

(DKK millions)	01 2015	01 2014	Full year 2014
Net profit for the period	4,951	2,812	3,846
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	31	-98	157
Tax	8	13	-9
Items that will not be reclassified to profit or loss	39	-85	148
Items that are or may be reclassified subsequently to profit or loss			
Translation of units outside Denmark	959	146	527
Hedging of units outside Denmark	-1,071	-123	-549
Unrealised value adjustments of available-for-sale financial assets	40	179	283
Realised value adjustments of available-for-sale financial assets	-36	-4	-37
Tax	210	-22	43
Items that are or may be reclassified subsequently to profit or loss	102	176	267
Total other comprehensive income	141	91	415
Total comprehensive income for the period	5,092	2,903	4,261
Portion attributable to			
shareholders of Danske Bank A/S (the Parent Company)	4,974	2,885	4,000
additional tier 1 capital holders	118	18	259
non-controlling interests	-	-	2
Total comprehensive income for the period	5,092	2,903	4,261

Balance sheet - Danske Bank Group

Note	(DKK millions)	31 March 2015	31 December 2014	31 March 2014
	ASSETS			
	Cash in hand and demand deposits with central banks	85,097	33,876	47,581
	Due from credit institutions and central banks	173,630	112,760	146,395
	Trading portfolio assets	800,073	742,513	706,907
	Investment securities	321,892	330,994	202,060
	Loans at amortised cost	1,113,192	1,092,902	1,094,602
	Loans at fair value	745,902	741,609	737,027
	Assets under pooled schemes and unit-linked investment contracts	90,151	80,148	74,101
	Assets under insurance contracts	286,539	268,450	251,323
	Intangible assets Tax assets	11,195	11,253	20,601
6	Other assets	4,172 39.315	1,543	1,442
ь	Uther assets	39,315	36,966	32,178
	Total assets	3,671,158	3,453,015	3,314,218
	LIABULTIS			
	LIABILITIES Due to one distinctive time and another benefits	700.017	700 0 40	222 202
	Due to credit institutions and central banks Trading portfolio liabilities	366,613	329,048	333,387
	Deposits	609,719 1,018,038	550,629 966,197	386,249 1,041,738
	Bonds issued by Realkredit Danmark	678,875	655,965	623,956
	Deposits under pooled schemes and unit-linked investment contracts	96,142	86,433	82,863
	Liabilities under insurance contracts	304,224	287,315	266,629
5	Other issued bonds	350,724	330,207	308,336
J	Tax liabilities	8,809	8.875	9.179
	Other liabilities	43,104	44,199	44,787
5	Subordinated debt	36,948	41,028	65,277
	Total liabilities	3,513,196	3,299,895	3,162,401
	EQUITY			
	Share capital	10,086	10,086	10,086
	Foreign currency translation reserve	-589	-477	-254
	Reserve for available-for-sale financial assets	-312	-316	-387
	Retained earnings	137,402	132,605	136,797
	Proposed dividends	-	5,547	
	Shareholders of Danske Bank A/S (the Parent Company)	146,587	147,445	146,242
	Additional tier 1 capital holders	11,374	5,673	5,575
	Non-controlling interests	1	2	-
	Total equity	157,962	153,120	151,817
	Total liabilities and equity	3,671,158	3,453,015	3,314,218

Statement of capital - Danske Bank Group

(DKK millions)

Changes in equity									
		Shareholders of	of Danske Bank	A/S (the Par	ent Company	<u>'</u>]	_		
	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 2015	10,086	-477	-316	132,605	5,547	147,445	5,673	2	153,120
Net profit for the period	-	-	-	4,833	-	4,833	118	-	4,951
Other comprehensive income									
Remeasurement of defined									
benefit plans	-	-	-	31	-	31	-	-	31
Translation of units outside Denmar	٠k -	959	-	-	-	959	-	-	959
Hedging of units outside Denmark	-	-1,071	-	-	-	-1,071	-	-	-1,071
Unrealised value adjustments	-	-	40	-	-	40	-	-	40
Realised value adjustments	-	-	-36	-	-	-36	-	-	-36
Tax	-	-	-	218	-	218	-	-	218
Total other comprehensive income	-	-112	4	249	-	141	-	-	141
Total comprehensive income for									
the period	-	-112	4	5,082	-	4,974	118	-	5,092
Transactions with owners Issuance of additional tier 1 capital,									
net of transaction costs Paid interest on additional	-	-	-	-57	-	-57	5,583	-	5,526
tier 1 capital	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	53	-5,547	-5,494	-	-1	-5,495
Acquisition of own shares and									
additional tier 1 capital	-	-	-	-8,865	-	-8,865	-	-	-8,865
Sale of own shares and									
additional tier 1 capital	-	-	-	8,553	-	8,553	-	-	8,553
Share-based payments	-	-	-	-	-	-	-	-	-
Tax	-	-	-	31	-	31	-	-	31
Total equity at 31 March 2015	10,086	-589	-312	137,402	-	146,587	11,374	1	157,962

On 30 March the Group initiated a share buy-back programme of DKK 5 billion, which may run until 31 December 2015. AT the end of March 2015, the Group had acquired 355,000 shares for a total amount of DKK 65 million under the share buy-back programme.

-2,001

-8,318

8,040

151,817

-5

Statement of capital - Danske Bank Group

Dividends paid

Tax

Acquisition of own shares and additional tier 1 capital

Total equity at 31 March 2014

10,086

-254

Sale of own shares and additional tier 1 capital

Share-based payments

(DKK millions)									
Changes in equity		Shareholders	of Danske Bank	A/S (the Pa	rent 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
Net profit for the period Other comprehensive income	-	-	-	2,794	-	2,794	18	-	2,812
Remeasurement of defined									
benefit plans	-	-	-	-98	-	-98	-	-	-98
Translation of units outside Denma	ark -	146	-	-	-	146	-	-	146
Hedging of units outside Denmark	-	-123	-	-	-	-123	-	-	-123
Unrealised value adjustments	-	-	179	-	-	179	-	-	179
Realised value adjustments	-	-	-4	-	-	-4	-	-	-4
Tax	-	-	-	-9	-	-9	-	-	-9
Total other comprehensive income	-	23	175	-107	-	91	-	-	91
Total comprehensive income for the period	_	23	175	2,687	_	2.885	18	_	2,903
<u>·</u>			1/3	2,007		2,000	10		
Transactions with owners Issuance of additional tier 1 capitate net of transaction costs	al, -	-	-	-56	-	-56	5,597	-	5,541
Paid interest on additional tier 1 capital	-	-	-	-	-	-	-	-	-

-2,017

-2,001

-8,278

8,040

146,242

-5

-40

5,575

16

-8,278

8,040

136,797

-387

-5

Statement of capital - Danske Bank Group

(DKK millions)	31 March 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	999,006,580	999,390,566
Average number of shares outstanding for the period	999,138,692	999,514,301
Average number of shares outstanding, including dilutive shares, for the period	1,000,217,895	1,000,572,309
Total capital and total capital ratio		
Total equity	157,962	153,120
Revaluation of domicile property at fair value	1,017	1,013
Tax effect	-201	-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	161,780	156,926
Additional tier 1 capital instruments included in total equity	-11,205	-5,597
Accrued interest on additional tier 1 capital instruments	-194	-77
Tax on accrued interest on additional tier 1 capital instruments	46	17
Common equity tier 1 capital instruments	150,427	151,269
Adjustment to eligible capital instruments	-5,232	-117
Prudential filters	-340	-315
Expected/proposed dividends	-2,470	-5,547
Intangible assets of banking operations	-11,107	-11,169
Deferred tax on intangible assets	350	372
Deferred tax assets that rely on future profitability excluding temporary differences	-344	-465
Defined benefit pension fund assets	-709	-317
Statutory deduction for insurance subsidiaries	-4,128	-1,850
Other statutory deductions	-312	-722
Common equity tier 1 capital	126,135	131,139
Additional tier 1 capital instruments	22,224	17,434
Statutory deduction for insurance subsidiaries	-3,096	-3,701
Other statutory deductions	-8	-10
Tier 1 capital	145,255	144,862
Tier 2 capital instruments	22,974	26,310
Statutory deduction for insurance subsidiaries	-3,096	-3,701
Other statutory deductions	-8	-10
Total capital	165,125	167,461
Total risk exposure amount	895,856	865,822
Common equity tier 1 capital ratio [%]	14.1	15.1
Tier 1 capital ratio [%]	16.2	16.7
Total capital ratio [%]	18.4	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 1.6 billion.

The risk exposure amount calculated under the Basel I rules amounted to DKK 1,470,225 million at 31 March 2015 (31 December 2014: DKK 1,398,421 million). The capital need under the transitional rules was DKK 94,094 million, equal to 10.5% 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

	01	Q1	Full year
(DKK millions)	2015	2014	2014
Cash flow from operations			
Profit before tax	6,362	3,630	7,835
Tax paid	-3,860	-650	-4,095
Adjustment for non-cash operating items	-1,184	690	15,027
Total	1,318	3,670	18,767
Changes in operating capital			
Amounts due to/from credit institutions and central banks	38,215	21,011	14,960
Trading portfolio	1,530	-60,118	68,656
Other financial instruments	2,812	-40,155	-172,309
Loans at amortised cost	-20,656	-6,818	-7,879
Loans at fair value	-4,293	-8,946	-13,528
Deposits	51,842	97,837	22,294
Bonds issued by Realkredit Danmark	22,909	9,760	41,769
Assets/liabilities under insurance contracts	-1,179	-678	2,880
Other assets/liabilities	25,844	1,290	16,914
Cash flow from operations	118,342	16,853	-7,476
Cash flow from investing activities			
Acquisition/sale of businesses	-		-
Acquisition/sale of own shares and additional tier 1 capital	-312	-278	-325
Acquisition of intangible assets	-89	-115	-418
Acquisition/sale of tangible assets	-19	28	99
Cash flow from investing activities	-420	-365	-644
Cash flow from financing activities			
Changes in subordinated debt and hybrid capital	-5,212	-933	-25,378
Dividends	-5,494	-2,001	-2,000
Issued additional tier 1 capital	5,526	5,541	5,539
Change in non-controlling interests	-1	-	2
Cash flow from financing activities	-5,181	2,607	-21,837
Cash and cash equivalents at 1 January	143,543	173,500	173,500
Change in cash and cash equivalents	112,741	19,095	-29,957
Cash and cash equivalents, end of period	256,284	192,595	143,543
Cash and cash equivalents end of period			
Cash in hand	10,530	8,894	10,582
Demand deposits with central banks	74,567	38,687	23,294
Amounts due from credit institutions and central banks within three months	171,187	145,014	109,667
Total	256,284	192,595	143,543

(Dkk millions)

1. Significant accounting policies and estimates

(a) General

The Group's interim report for the first three 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 interim reports of listed financial institutions.

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 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. Further, the restatement covers changed disclosure of the internal

Brokerage and debt capital markets fees have previously 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

The change has affected the financial highlights and business segment reporting, whereas the income statement, balance sheet, total equity, earnings per share and statement of capital remain unaffected. Comparative figures for 2014 have been restated, except for the transfer of the Baltic personal banking customers as the effect is immaterial. The effect on the financial highlights for Q1 2014 is presented in the table

Income statement

(DKK millions)	Highlights Q1 2014	Internal bank	Net fee income	Adjusted highlights Q1 2014
Net interest income	5,351	-196	-	5,155
Net fee income	2,405	-	160	2,565
Net trading income	1,865	196	-160	1,901
Other income	309	-	-	309
Net income from insurance business	405	-	-	405
Total income	10,335	-	-	10,335
Operating expenses	5,432	-	-	5,432
Goodwill impairments	-	-	-	-
Profit before loan impairment charges	4,903	-	-	4,903
Loan impairment charges	641	-	-	641
Profit before tax, core	4,262	-	-	4,262
Profit before tax, Non-core	-632	-	-	-632
Profit before tax	3,630	-	-	3,630
Tax	818	-	-	818
Net profit for the period	2,812	-	-	2,812

(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 val-

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 232 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 31 March 2015 would have caused the fair value of the bonds to decrease DKK 54 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 31 March 2015, the adjustments totalled DKK 1.5 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 2.5 billion (31 December 2014: DKK 2.4 billion). The risk management notes provide more details on impairment charges for loans. At 31 March 2015, loans accounted for about 51% 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~against~the~Group's~banking~units,~mainly~because~of~the~worsening~of~the~long-term~against~the~Group's~banking~units,~mainly~because~of~the~worsening~of~the~long-term~against~the~Group's~banking~units,~mainly~because~of~the~worsening~of~the~long-term~against~the~Group's~banking~units,~mainly~because~of~the~worsening~of~the~long-term~against~the~Group's~banking~units,~mainly~because~of~the~worsening~of~the~long-term~against~the~Group's~banking~units,~mainly~because~of~the~worsening~of~the~long-term~against~the~group's~banking~units,~mainly~because~of~the~worsening~of~the~long-term~against~the~group's~banking~units,~mainly~because~of~the~long-term~against~the~group's~banking~units~the~group's~bankeconomic outlook and Danske Bank's strategy of being a Nordic universal bank. At 31 March 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 quarter 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 anal-

(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 31 March 2015, deferred tax assets from recognised tax loss carry-forwards amounted to DKK 0.4 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 3.5 billion (31 December 2014: DKK 3.5 billion). The full deferred tax liability arising from international joint taxation was recognised and amounted to DKK 6.2 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 an international retail bank and operates in 15 countries, mainly in the Nordic region. Danske Bank is market leader in Denmark and among the largest banks in Northern Ireland and Finland. 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-today 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 Traditional. 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 backup 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.

(DKK millions)

2. Business model and business segmentation continued

Business segments Q1 2015

	Personal	Business		Danske	Danica	Other	Non-	Elimina-		Reclassi-	
	Banking	Banking	C&I	Capital	Pension	Activities	core	tions	Total	fication	Highlights
Net interest income	2,398	2,224	1,685	-2	1,202	829	48	13	8,397	-3,084	5,313
Net fee income	1,351	572	492	567	-233	-10	6	-8	2,738	308	3,046
Net trading income	268	212	792	2	10,369	-82	-	-123	11,439	-8,724	2,715
Other income	153	529	1	-	271	-53	-	-22	879	-519	360
Net premiums	-	-	-	-	5,538	-	-	-	5,538	-5,538	
Net insurance benefits	-	-	-	-	16,155	-	-	-	16,155	-16,155	
Net income from											
insurance business	-	-	-	-	-	-	-	-	-	777	777
Total income	4,170	3,537	2,970	567	992	685	54	-139	12,836	-625	12,211
Operating expenses	2,627	1,677	1,158	244	214	126	100	-40	6,106	-669	5,437
Profit before loan											
impairment charges	1,543	1,860	1,812	323	778	559	-46	-99	6,730	45	6,774
Loan impairment charge	es 245	91	164	-	-	1	-136	-	366	136	502
Profit before tax, core	1,298	1,769	1,648	323	778	558	90	-99	6,362	-90	6,272
Profit before tax, Non-co	ore							-		90	90
Profit before tax	1,298	1,769	1,648	323	778	558	90	-99	6,362	-	6,362
Loans, excluding re-											
verse transactions	799,933	623,050	186,542	101	-	26,207	36,854	-30,812	1,641,875	-36,854	1,605,021
Other assets	218,612	214,630	4,164,442	13,994	387,476	1,926,730	-7,100	-4,889,501	2,029,283	-2,772	2,026,511
Total assets in Non-core	е -	-	-	-	-	-	-	-	-	39,626	39,626
Total assets	1,018,545	837,680	4,350,984	14,095	387,476	1,952,937	29,754	-4,920,313	3,671,158	-	3,671,158
Deposits, excluding											
repo deposits	334,783	262,206	229,998	196	-	9,787	6,719	-10,209	833,480	-6,719	826,761
Other liabilities	658,238	538,316	4,082,782	11,270	375,218	1,921,382	13,989	-4,910,104	2,691,091	-702	2,690,389
Allocated capital	25,524	37,159	38,204	2,629	12,258	21,768	9,046	_	146,587	_	146,587
Total liabilities in Non-co		-	-		-	-	-	-	-	7,421	7,421
Total liabilities											
	1,018,545	837,680	4,350,984	14,095	387,476	1,952,937	29,754	-4,920,313	3,671,158	-	3,671,158
			<u> </u>	<u> </u>							
Profit before tax as % of	:										
allocated capital (avg.)	20.1	18.7	17.3	49.2	26.0	10.4	3.9	-	17.4		
Cost/income ratio (%)	63.0	47.4	39.0	43.0	21.6	18.4	185.2	-	47.6		
Full-time-equivalent				_							
staff, end of period	6,713	3,115	1,826	510	765	5,358	428	_	18,715		

In its financial highlights, Danske Bank recognises earnings contributed by Danske Bank 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 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.

(DKK millions)

2. Business model and business segmentation continued Business segments Q1 2014

	Personal	Business	001	Danske	Danica	Other	Non-	Elimina-	T . 1	Reclassi-	10.12.14
	Banking	Banking	C&I	Capital	Pension	Activities	core	tions	Total	fication	Highlights
Net interest income	2,615	2,085	1,639	-	1,231	360	31	34	7,995	-2,840	5,155
Net fee income	1,062	507	578	494	-234	-9	14	-	2,412	152	2,564
Net trading income	205	195	116	-1	1,968	25	2	-152	2,358	-457	1,901
Other income	138	451	1	-	38	-55	1	-39	535	-226	309
Net premiums	-	-	-	-	5,804	-	-	-	5,804	-5,804	-
Net insurance benefits	-	=	-	-	8,177	-	-	-	8,177	-8,177	-
Net income from											
insurance business	-	-	-	-	-	-	-	-	-	405	405
Total income	4,020	3,238	2,334	493	629	322	48	-157	10,927	-592	10,335
Operating expenses	2,652	1,667	1,126	228	225	116	377	-39	6,352	-920	5,432
Profit before loan											
impairment charges	1,368	1,571	1,208	265	405	204	-329	-118	4,575	328	4,903
Loan impairment charg	ges 337	299	5	-	-	-	303	-	944	-303	641
Profit before tax, core	1,031	1,272	1,203	265	405	204	-632	-118	3,630	632	4,262
Profit before tax, Non-c		-,	_,						_,	-632	-632
Profit before tax	1,031	1,272	1,203	265	405	204	-632	-118	3,630	-	3,630
Loans, excluding											
reverse transactions	797,269	599,433	166,629	333	-	25,083	39,242	-29,799	1,598,190	-39,242	1,558,948
Other assets	214,106	218,648	4,296,907	17,953	336,451	1,734,101	-445	-5,101,692	1,716,028	-243	1,715,785
Total assets in Non-cor	re -	-	-	-	-	-	-	-	-	39,485	39,485
Total assets	1,011,375	818,081	4,463,536	18,286	336,451	1,759,183	38,797	-5,131,491	3,314,218	-	3,314,218
Deposits, excluding											
repo deposits	329,959	259,040	189,398	116	_	10,819	11,000	-7,632	792,700	-11,000	781,700
Other liabilities	648.985	516,107	4,235,415	15,590	324,364	1,740,030	18,645	-5,123,859	2,375,276	-997	2,374,279
Allocated capital	32,431	42,934	38,723	2,580	12,087	8,335	9,153	5,125,055	146,242		146,242
Total liabilities in Non-c			- 50,725		- 12,007			-	-	11,997	11,997
Total liabilities											
and equity	1,011,375	818,081	4,463,536	18,286	336. <u>4</u> 51	1,759,183	38 797	-5,131,491	3314218	_	3,314,218
and equity	1,011,575	010,001	7,700,000	10,200	350,431	1,755,165	30,737	5,151,751	3,317,210		3,314,610
Profit before tax as % o	f										
allocated capital (avg.)	12.7	11.9	12.4	41.1	13.4	10.2	-27.6	-	9.9		
Cost/income ratio (%)	66.0	51.5	48.2	46.2	35.7	36.0	785.4	-	58.1		
Full-time-equivalent											
staff, end of period	6,823	3,740	1,568	508	785	5,375	217		19,016		

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

(DKK millions)

2. Business model and business segmentation continued

Personal Banking by country $01\ 2015$

					Northern		
	Denmark	Finland	Sweden	Norway	Ireland	Other*	Total
Net interest income	1,550	219	149	294	171	15	2,398
Net fee income	901	222	83	40	61	44	1,351
Net trading income	237	16	5	-12	14	8	268
Other income	36	10	-	106	-	1	153
Total income	2,724	467	237	428	246	68	4,170
Operating expenses	1,450	329	177	298	213	160	2,627
Profit before loan impairment charges	1,274	138	60	130	33	-92	1,543
Loan impairment charges	275	23	-7	-4	-16	-26	245
Profit before tax	999	115	67	134	49	-66	1,298
Loans, excluding reverse transactions	531,938	92,949	68,413	81,445	19,314	5,874	799,933
Deposits, excluding repo deposits	194,418	46,466	26,790	27,008	32,850	7,251	334,783
Net interest income as % p.a. of loans							
and deposits	0.85	0.63	0.63	1.08	1.31	0.46	0.85
Cost/income ratio (%)	53.2	70.4	74.7	69.6	86.6	-	63.0

 $^{{}^{\}star} \text{Other includes Luxembourg, staff functions and other non-country specific costs.}$

Personal Banking by country 012014

					Northern		
	Denmark	Finland	Sweden	Norway	Ireland	Other*	Total
Net interest income	1,764	273	145	269	159	5	2,615
Net fee income	638	230	76	33	48	37	1,062
Net trading income	180	7	4	-3	11	6	205
Other income	32	8	1	99	1	-3	138
Total income	2,614	518	226	398	219	45	4,020
Operating expenses	1,544	376	181	271	171	109	2,652
Profit before loan impairment charges	1,070	142	45	127	48	-64	1,368
Loan impairment charges	218	28	39	28	14	10	337
Profit before tax	852	114	6	99	34	-74	1,031
Loans, excluding reverse transactions	535,210	94,545	72,289	73,036	16,671	5,518	797,269
Deposits, excluding repo deposits	194,118	45,633	29,591	26,955	28,484	5,178	329,959
Net interest income as % p.a. of loans							
and deposits	0.97	0.78	0.57	1.08	1.41	0.19	0.93
Cost/income ratio (%)	59.1	72.6	80.1	68.1	78.1	-	66.0

 $^{{}^{\}ast}\textsc{Other}$ includes Luxembourg, staff functions and other non-country specific costs.

(DKK millions)

2. Business model and business segmentation continued

Business Banking by country Q1 2015

					Northern			
	Denmark	Finland	Sweden	Norway	Ireland	Baltics	Other*	Total
Net interest income	1,141	202	412	227	188	82	-28	2,224
Net fee income	222	110	85	53	66	37	-1	572
Net trading income	129	7	27	14	15	19	1	212
Other income	496	8	0	22	3	-	-	529
Total income	1,988	327	524	316	272	138	-28	3,537
Operating expenses	903	169	217	148	139	67	34	1,677
Profit before loan impairment charges	1,085	158	307	168	133	71	-62	1,860
Loan impairment charges	184	44	28	-52	-97	-16	-	91
Profit before tax	901	114	279	220	230	87	-62	1,769
Loans, excluding reverse transactions	362,825	48,711	112,431	57,668	30,377	11,038	-	623,050
Deposits, excluding repo deposits	83,592	47,288	38,792	41,102	28,987	22,445	-	262,206
Net interest income as % p.a. of loans								
and deposits	1.02	0.84	1.09	0.92	1.27	0.98	-	1.00
Cost/income ratio (%)	45.4	51.7	41.5	46.9	51.1	48.6	-	47.4

 $^{{}^\}star \text{Other}$ includes staff functions and other non-country specific costs.

Business Banking by country Q1 2014

					Northern			
	Denmark	Finland	Sweden	Norway	Ireland	Baltics	Other*	Total
Net interest income	1,146	169	365	192	158	97	-42	2,085
Net fee income	168	105	82	51	57	44	-	507
Net trading income	107	11	23	12	13	29	-	195
Other income	403	10	1	34	3	2	-1	451
Total income	1,824	295	471	289	231	172	-43	3,238
Operating expenses	842	186	213	168	130	100	29	1,667
Profit before loan impairment charges	982	109	258	121	101	72	-72	1,571
Loan impairment charges	213	5	18	48	14	1	-	299
Profit before tax	769	104	240	73	87	71	-72	1,272
Loans, excluding reverse transactions	356,038	45,514	102,595	50,516	27,518	17,252	-	599,433
Deposits, excluding repo deposits	82,693	43,354	42,808	43,761	25,735	20,689	-	259,040
Net interest income as % p.a. of loans	·					·		
and deposits	1.04	0.76	1.00	0.81	1.19	1.02	-	0.97
Cost/income ratio (%)	46.2	63.0	45.2	58.1	56.3	58.1	-67.4	51.5

 $^{{}^\}star \text{Other}$ includes staff functions and other non-country specific costs.

(DKK millions)

3. Other Income

Other income includes rental income and lease payments under operating leases, fair value adjustments of investment property, amounts received on the sale of lease assets and gains and losses on the sale of other tangible assets, such as domicile and investment properties. Income from associates includes the Group's proportionate share of the net profit or loss.

Other income amounted to DKK 879 million (31 March 2014: DKK 535 million), including income from associates of DKK -20 million (31 March $2014: DKK \cdot 122 \ million) \ and \ profit on the sale of associates and group \ undertakings of DKK 0 \ million).$

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.

	31 March	31 March
	2015	2014
New and increased impairment charges	3,610	4,119
Reversals of impairment charges	3,566	3,123
Write-offs charged directly to income statement	653	343
Received on claims previously written off	242	180
Interest income, effective interest method	-90	-214
Total	366	944

5. Issued bonds

Issued bonds consist of 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				31 March 2015	31 December 2014
Commercial paper Other				30,056 320,668	25,673 304,533
Total				350,724	330,206
Other issued bonds are recognised at amorti	ised cost. Other includes cover	red bonds and othe	er senior bonds.		
	1 January			Foreign currency	31 March
Nominal value	2015	Issued	Redeemed	translation	2015
Commercial paper	25,671	18,273	15,194	1,307	30,057
Other	342,520	22,310	4,527	-4,190	356,113
Other issued bonds	368,191	40,583	19,721	-2,883	386,169
	1 January			Foreign currency	31 December
Nominal value	2014	Issued	Redeemed	translation	2014
Commercial paper	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

(DKK millions)

5. Issued bonds continued

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

During the first three months of 2015, the Group redeemed DKK 5,226 million (2014: DKK 29,046 million).

In February 2015, Danske Bank A/S issued EUR 750 million (DKK 5,583 million) in additional tier 1 capital. At 31 March 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. At 31 March 2015, retained earnings amounted to DKK 106,723 million for Danske Bank A/S (31 December 2014: DKK 101,964 million). Retained earnings for Danske Bank Group are disclosed in the balance sheet. 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. At 31 March 2015, the common equity tier 1 capital ratio was 17.4% [31 December 2014: 19.1%] for Danske Bank A/S. The ratio for Danske Bank Group is disclosed in the Statement of capital. The issued additional tier 1 capital is classified as equity instruments in the financial statements, and equity has increased by the net proceeds received. Interest payments are accounted for as dividends, which are recognised directly in equity at the time when the payment obligation arises. Consequently, interest payments do not have any effect on the net profit for the period. Amounts paid or received for the acquisition or sale of additional tier 1 instruments are recognised directly in equity. On redemption of the tier 1 capital, equity will be reduced by the redemption amount.

6. Other assets and other liabilities

Other assets amounted to DKK 39,315 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 3,462 million (31 December 2014: DKK 3,536 million) and tangible assets of DKK 6,856 million (31 December 2014: DKK 6,625 million). In the first quarter of 2015, the Group entered into a binding agreement on the sale of a loan portfolio with a nominal value of DKK 3.9 billion in the Non-core segment. The transaction was settled in April 2015.

Other liabilities amounted to DKK 43,104 million (31 December 2014: DKK 44,199 million), including other staff commitments of DKK 2,806 million (31 December 2014: DKK 3,249 million).

(DKK millions)

7. Contingent liabilities

Contingent liabilities consist of possible liabilities arising from past events. The existence of such liabilities will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Contingent liabilities that can, but are not likely to, result in an outflow of economic resources are disclosed.

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. If an instrument is likely to result in a payment obligation, a liability is recognised under Other liabilities corresponding to the present value of expected payments.

	31 March	31 December
Guarantees	2015	2014
Financial guarantees	9,953	9,344
Mortgage finance guarantees	1,457	1,128
Other guarantees	72,053	66,958
Total	83,463	77,430
Other contingent liabilities		
Loan commitments shorter than 1 year	124,204	115,511
Loan commitments longer than 1 year	139,400	136,064
Other unutilised loan commitments	479	520
Total	264.083	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 352 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.

Through participation in the Danish Guarantee Fund for Depositors and Investors, Danish banks undertake to cover the losses incurred by the Fund from the resolution of distressed banks. Danske Bank's share is just over one third of any loss incurred by the Fund. The intention is that losses should be covered by the participating banks' annual contributions.

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.

(DKK millions)

8. Assets provided or received as collateral

At 31 March 2015, Danske Bank A/S had deposited securities worth DKK 2.8 billion as collateral with Danish and international clearing centres and other institutions (31 December 2014: DKK 1.0 billion).

At 31 March 2015, Danske Bank A/S had provided cash and securities worth DKK 112.0 billion as collateral for derivatives transactions (31 December 2014: DKK 85.0 billion).

At 31 March 2015, the Group had registered assets (including bonds and shares issued by the Group) under insurance contracts worth DKK 338.0 billion (31 December 2014: DKK 320.0 billion) as collateral for policyholders' savings of DKK 335.1 billion (31 December 2014: DKK

At 31 March 2015, the Group had registered loans at fair value and securities worth a total of DKK 747.5 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 678.9 billion (31 December 2014: DKK 656.0 billion]. Similarly, the Group had registered loans and other assets worth DKK 271.2 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:

	31 March 2015			31 December 2014		
	Repo	Other	Total	Repo	Other	Total
Due from credit institutions	-	37,246	37,246	-	32,353	32,353
Trading portfolio securities	415,722	71,580	487,302	386,797	66,063	452,860
Loans at fair value	-	745,902	745,902	-	741,609	741,609
Loans at amortised cost	-	289,421	289,421	-	275,923	275,923
Assets under insurance contracts	-	287,410	287,410	-	270,661	270,661
Other assets	-	109	109	-	166	166
Total	415,722	1,431,668	1,847,390	386,797	1,386,775	1,773,572
Own issued bonds	10,641	93,602	104,243	11,480	89,644	101,124
Total, including own issued bonds	426,363	1,525,270	1,951,633	398,277	1,476,419	1,874,696

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 415.7 billion at 31 March 2015 (31 December 2014: DKK 386.8 billion).

At 31 March 2015, the Group had received securities worth DKK 288.1 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 31 March 2015, the Group had sold securities or provided securities as collateral worth DKK 138.0 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.

(DKK millions)

9. Information on financial instruments

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

	31 March	2015	31 Decembe	er 2014
	-	Amortised		Amortised
	Fair value	cost	Fair value	cost
Financial assets				
Cash in hand and demand deposits with central banks	-	85,097	-	33,876
Due from credit institutions and central banks	-	173,630	-	112,760
Trading portfolio assets	800,073	-	742,513	-
Investment securities	210,021	111,871	226,139	104,855
Loans at amortised cost	-	1,113,192	-	1,092,902
Loans at fair value	745,902	-	741,609	-
Assets under pooled schemes and unit-linked				
investment contracts	90,151	-	80,148	-
Assets under insurance contracts	258,803	-	237,103	-
Total	2,104,950	1,483,790	2,027,512	1,344,393
Financial liabilities				
Due to credit institutions and central banks		366,613		329,048
Trading portfolio liabilities	609,719	300,013	550,629	323,046
Deposits	003,713	1,018,038	330,023	966,197
Bonds issued by Realkredit Danmark	678,875	1,010,030	655,965	300,137
Deposits under pooled schemes and unit-linked	070,073	_	033,303	_
investment contracts	96,142		86,433	
Other issued bonds	30,142	350,724	00,433	330,207
Subordinated debt	-	36,948	-	41,028
Other liabilities (loan commitments and guarantees)	-	30,948 482	-	41,028
Total	1,384,736	1,772,805	1,293,027	1,666,975

Negative interest income and interest expenses resulting from negative interest rates were insignificant during the first quarter 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 instru-

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 of 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 31 March 2015 was in line with the difference at 31 December 2014.

(DKK millions)

9. Information on financial instruments continued

	Quoted	Observable	Non-observable	
31 March 2015	prices	input	input	Total
Financial assets				
Derivatives				
Interest rate contracts	4,682	297,615	7,704	310,001
Currency contracts etc.	85	178,930	1,367	180,382
Trading portfolio bonds				
Government bonds and other bonds	115,056	1,999	-	117,055
Danish mortgage bonds	65,958	2,455	-	68,413
Other covered bonds	54,682	1,627	-	56,309
Other bonds	39,699	8,191	-	47,890
Trading portfolio shares	19,463	-	561	20,024
Investment securities, bonds	179,079	29,115	-	208,194
Investment securities, shares	50	-	1,776	1,826
Loans at fair value	-	745,902	-	745,902
Assets under pooled schemes and unit-linked investment contracts	90,151	-	-	90,151
Assets under insurance contracts, bonds				
Danish mortgage bonds	42,701	2,743	-	45,444
Other bonds	105,710	493	2,431	108,634
Assets under insurance contracts, shares	70,014	471	14,453	84,938
Assets under insurance contracts, derivatives	15	19,772	-	19,787
Total	787,345	1,289,313	28,292	2,104,950
Financial liabilities				
Derivatives				
Interest rate contracts	5,123	269,216	8,338	282,677
Currency contracts etc.	448	186.347	2.287	189,082
Obligations to repurchase securities	137,632	308	21	137,961
Bonds issued by Realkredit Danmark	678,875	-	-	678,875
Deposits under pooled schemes and unit-linked investment contracts	-	96,142	-	96,142
Total	822,078	552,013	10,646	1,384,737

(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

(DKK millions)

9. Information on financial instruments continued

At 31 March 2015, financial instruments valued on the basis of non-observable input comprised unlisted shares of DKK 16,769 million (31 December 2014: DKK 14,674 million), illiquid bonds of DKK 2,431 million (31 December 2014: DKK 1,610 million) and derivatives with a net market value of DKK -1,554 million (31 December 2014: DKK -1,211 million). Unlisted shares of DKK 14,453 million (31 December 2014: DKK -1,211 million). 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 2,316 million (31 December 2014: DKK 2,245 million), a 10% increase or decrease in the fair value would amount to DKK 232 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 54 million (31 December 2014: DKK 36 million). If the credit spread narrows 50bp, fair value will increase DKK 56 million (31 December 2014: DKK 37 million). A substantial number of derivatives valued on the basis of nonobservable 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 31 March 2015, the adjustments totalled DKK 1.5 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 three months of 2015, the Group recognised unrealised value adjustments of unlisted shares of DKK 1,128 million on the portfolio of shares allocated to insurance contracts and DKK 96 million on the remaining portfolio (31 December 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	31	31 December 2014				
	Shares	Bonds	Derivatives	Shares	Bonds	Derivatives
Fair value at 1 January	14,674	1,610	-1,211	12,500	674	1,591
Value adjustment through profit or loss	1,391	154	530	3,362	61	-51
Acquisitions	1,182	673	-1,435	3,957	1,335	-1,726
Sale and redemption	-478	-6	655	-5,145	-460	275
Transferred from quoted prices and observable input	-	-	-	-	-	659
Transferred to quoted prices and observable input	-	-	-93	-	-	-1,959
Fair value at 31 March	16,769	2,431	-1,553	14,674	1,610	-1,211

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

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		Lending act	tivities			
(DKK billions)				Counterparty risk	Trading and	Customer-funded
31 March 2015	Total	Core	Non-core	(derivatives)	investment securities	investments
Balance sheet items						
Demand deposits with central banks	74.6	74.6	-	-	-	-
Due from credit institutions and						
central banks	102.6	102.6	-	-	-	
Repo loans with credit institutions and						
central banks	71.1	71.1	-	-	-	-
Trading portfolio assets	800.1	-	-	490.4	309.7	-
Investment securities	321.9	-	-	-	321.9	-
Loans at amortised cost	896.0	859.1	36.9	-	-	-
Repo loans	217.2	217.2	-	-	-	-
Loans at fair value	745.9	745.9	-	-	-	-
Assets under pooled schemes and						
unit-linked investment contracts	90.2	-	-	-	-	90.2
Assets under insurance contracts	286.5	-	-	-	-	286.5
Off-balance-sheet items						
Guarantees	83.5	82.0	1.5	-	-	-
Loan commitments shorter than 1 year	124.2	123.8	0.4	-	_	-
Loan commitments longer than 1 year	139.4	139.4	-	-	-	-
Other unutilised commitments	0.5		_	-	0.5	_
Total	3,953.5	2,415.6	38.8	490.4	632.1	376.7
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 pooled schemes and	80.1 268.5	-	-	-	-	80.1 268.5
Assets under pooled schemes and unit-linked investment contracts		-	-	-	-	80.1 268.5
Assets under pooled schemes and unit-linked investment contracts Assets under insurance contracts		- - 76.2	1.2			
Assets under pooled schemes and unit-linked investment contracts Assets under insurance contracts Off-balance-sheet items Guarantees	268.5	76.2 115.1	1.2 0.4			
Assets under pooled schemes and unit-linked investment contracts Assets under insurance contracts Off-balance-sheet items Guarantees Loan commitments shorter than 1 year	268.5 77.4 115.5					
Assets under pooled schemes and unit-linked investment contracts Assets under insurance contracts Off-balance-sheet items Guarantees	268.5 77.4	115.1			- - - - 0.5	

In addition to credit exposure from lending activities, Danske Bank had made loan offers and granted uncommitted lines of credit of DKK 352 billion at 31 March 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.

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

				31 Mar	ch 2015			31 Decer	nber 2014	
				Acc. individual		Net		Acc. individual		Net
			Gross	impairment	Net	exposure,	Gross	impairment	Net	exposure,
	PD1	level	exposure	charges	exposure	ex collateral	exposure	charges	exposure	ex collateral
(DKK billions)	Upper	Lower	=a+b	Ь	а		=a+b	b	а	
1	0.00	0.01	137.1	-	137.1	125.1	69.4	-	69.4	52.0
2	0.01	0.03	254.6	-	254.6	118.9	184.8	-	184.8	75.1
3	0.03	0.06	406.9	-	406.9	129.7	394.1	-	394.1	117.5
4	0.06	0.14	441.2	-	441.2	153.6	447.2	-	447.2	153.4
5	0.14	0.31	510.2	-	510.2	171.8	510.2	-	510.2	171.0
6	0.31	0.63	299.3	-	299.3	81.5	289.3	-	289.3	79.6
7	0.63	1.90	211.3	-	211.3	61.4	213.5	-	213.5	60.2
8	1.90	7.98	81.1	-	81.1	26.1	82.2	-	82.2	25.1
9	7.98	25.70	19.7	-	19.7	6.6	21.9	-	21.9	6.8
10	25.70	99.99	46.0	9.4	36.6	9.8	47.7	10.1	37.6	11.0
11 (default)	100.00	100.00	37.8	20.1	17.7	1.1	37.0	18.9	18.0	1.9
Total before col			0.445.1	20.5	0.415.0	005.5	0.007.7	20.0	0.000.0	0500
pairment charg	es		2,445.1	29.5	2,415.6	885.5	2,297.3	29.0	2,268.2	753.7
Collective impa	irment									
charges			3.6	-	-	-	4.0	-	-	-
Total gross exp	osure		2,448.6	-	-	-	2,301.3	-	-	-

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 nonperforming. 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 forborne exposures under probation.

Non-performing loans in core activities

	31 March	31 December
[DKK millions]	2015	2014
Total non-performing loans, net	29,880	29,390
-portion in default	11,055	10,573
Coverage ratio (default) [%]	98	96
Coverage ratio (non-default) (%)	73	73
Coverage ratio (total non-perfoming loans) (%)	88	86
Non-performing loans as a percentage of total gross exposure (%)	3	3

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.

		31 Marc	ch 2015			31 Decem	nber 2014	
	Gross	Acc. individual impairment	Net	Net exposure,	Gross	Acc. individual impairment	Net	Net exposure,
	exposure	charges	exposure	ex collateral	exposure	charges	exposure	ex collateral
(DKK billions)	=a+b	b	а		=a+b	b	а	
Public institutions	205.0	-	204.9	176.1	100.1	-	100.1	77.4
Banks	134.9	0.1	134.8	100.5	86.4	0.1	86.3	63.3
Credit institutions	20.4	-	20.4	11.3	30.7	-	30.7	11.5
Insurance	58.8	-	58.8	8.1	50.7	-	50.7	7.4
Investment funds	102.0	0.4	101.7	15.1	105.9	0.5	105.5	14.7
Other financials	83.0	0.2	82.9	17.0	98.8	0.1	98.6	11.2
Agriculture	67.8	2.5	65.3	14.0	65.8	2.5	63.3	13.1
Commercial property	276.3	7.6	268.7	44.4	268.6	7.4	261.2	49.4
Construction, engineering and								
building products	41.0	2.3	38.7	29.9	37.5	2.1	35.3	27.0
Consumer discretionary	90.3	2.4	87.9	51.9	85.4	2.5	82.9	48.2
Consumer staples	57.5	0.4	57.1	38.3	58.7	0.4	58.3	37.6
Energy and utilities	40.5	0.4	40.1	29.5	38.9	0.2	38.7	30.9
Health care	32.2	0.1	32.1	22.3	30.9	0.1	30.8	22.2
Industrial services, supplies								
and machinery	90.8	1.5	89.3	71.2	84.9	1.5	83.4	66.8
IT and telecommunication								
services	22.7	0.2	22.5	20.1	21.6	0.2	21.4	19.1
Materials	46.8	1.3	45.5	35.5	44.0	1.3	42.7	31.8
Non-profits and other								
associations	137.5	1.2	136.3	21.9	134.5	1.2	133.2	21.1
Other commercial	21.2	0.2	21.0	16.5	49.2	0.3	48.9	40.3
Shipping	39.4	1.9	37.5	16.0	39.3	1.8	37.5	17.9
Transportation	18.8	0.2	18.5	9.7	17.7	0.2	17.5	9.1
Personal customers	858.1	6.6	851.5	136.3	847.6	6.6	841.0	133.6
Total before collective								
impairment charges	2,445.1	29.5	2,415.6	885.5	2,297.3	29.0	2,268.2	753.7
Collective impairment charges	3.6	-	-	-	4.0	-	-	-
Total gross exposure	2,448.6	-	-	-	2,301.3	-	-	-

Total gross exposure

Credit portfolio in core activities broken down by business unit

2,448.6

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

31 March 2015 31 December 2014 Acc. Acc. individual Net individual Net impairment Net exposure, Gross impairment Net exposure, Gross ex collateral ex collateral exposure charges exposure exposure charges exposure (DKK billions) Ь b =a+b а =a+b а Denmark 543.6 5.2 538.4 88.9 544.6 5.6 539.0 89.2 Finland 92.8 92.4 5.5 92.8 0.6 92.2 5.6 0.4 Sweden 73.2 0.1 73.1 10.2 71.6 71.6 10.4 Norway 97.6 0.1 97.5 21.9 85.6 0.1 85.5 20.7 Northern Ireland 20.3 2.5 18.7 2.5 0.4 19.9 0.2 18.5 Other 6.1 0.1 6.0 3.0 5.7 0.1 5.6 2.4 Personal Banking 833.6 6.3 827.3 132.1 819.1 6.7 812.4 130.9 Denmark 439.3 11.7 427.6 114.2 413.5 11.4 402.0 95.3 Finland 66.6 1.0 65.6 31.4 64.3 0.9 63.4 29.8 Sweden 133.8 0.8 133.0 44.9 123.9 0.6 123.2 42.1 Norway 71.0 0.7 70.3 27.6 65.5 0.7 64.8 27.1 Northern Ireland 40.3 5.0 35.4 17.0 35.6 4.7 30.9 14.9 **Baltics** 16.5 0.4 16.1 8.1 27.5 0.7 26.8 11.8 Other Business Banking 767.5 19.6 747.9 243.2 730.3 19.1 711.2 220.9 C&I* 785.4 3.5 781.9 454.0 715.3 3.1 712.2 372.8 58.5 56.2 32.6 Other 58.5 0.1 32.4 29.1 Total before collective impairment charges 2,445.1 29.5 2,415.6 885.5 2,297.3 29.0 2,268.2 753.7 Collective impairment charges 4 N 36

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.

Allowance account in core activities broken down by segment

	Personal	Business			Allowance account	Impair	ment
(DKK millions)	Banking	Banking	C&I	Other	total	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	867	1,525	408	-	2,800	2,610	191
Reversals of impairment charges from							
previous periods	639	1,420	247	-	2,305	2,255	50
Write-offs debited to allowance account	273	440	91	-	804	804	-
Foreign currency translation	56	430	241	-	728	696	32
Otheritems	-77	-387	85	-3	-381	210	-592
31 March 2015	8,317	21,201	3,554	-	33,071	29,506	3,566

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 2.5 billion (31 December 2014: about DKK 2.4 billion).

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)

		31 Mar	ch 2015			31 Decen	mber 2014	
(DKK millions)	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	27,452	2,522	24,930	2,203	19,830	2,479	17,351	1,312
Consumer discretionary	514	444	70	-	551	477	74	-
Commercial property	3,003	2,355	648	-	3,415	2,733	682	-
Other	3,148	1,137	2,011	1,654	3,266	1,151	2,115	1,748
Non-core banking	25,565	6,167	19,398	2,865	27,062	6,840	20,222	3,060
Non-core conduits etc.	11,378	238	11,140	3,060	11,362	259	11,104	2,858
Total Non-core before collective impairment charges	45,495	6,696	38,799	6,916	38,425	7,099	31,326	5,917
Collective impairment charges	1,083	-	-	-	813	-	-	-
Total Non-core exposure	46,578	-	-	-	39,238	-	-	-

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

				31 Mar	ch 2015			31 Decem	ber 2014	
	PD1	evel	Gross exposure	Acc. individual impairment charges	Net exposure	Net exposure, ex collateral	Gross exposure	Acc. individual impairment charges	Net exposure	Net exposure, ex collateral
(DKK millions)	Upper	Lower	=a+b	b	а		=a+b	b	а	
1	0.00	0.01	536	-	536	7	996	-	996	-
2	0.01	0.03	3,900	-	3,900	471	3,109	-	3,109	435
3	0.03	0.06	1,529	-	1,529	778	1,494	-	1,494	548
4	0.06	0.14	2,020	-	2,020	652	1,698	-	1,698	583
5	0.14	0.31	3,662	-	3,662	1,375	2,271	-	2,271	632
6	0.31	0.63	1,890	-	1,890	219	840	-	840	-
7	0.63	1.90	13,330	-	13,330	2,358	9,843	-	9,843	1,510
8	1.90	7.98	4,291	-	4,291	534	3,424	-	3,424	1,161
9	7.98	25.70	1,289	-	1,289	327	791	-	791	306
10	25.70	99.99	4,095	699	3,396	195	3,720	676	3,044	743
11 (default)	100.00	100.00	8,955	5,997	2,958	-	10,238	6,423	3,815	-
Total before coll	ective									
impairment cha	rges		45,495	6,696	38,799	6,915	38,425	7,099	31,326	5,917
Collective impair	rment									
charges			1,083	-	-	-	813	-	-	-
Total gross expo	sure		46,578	-	-	-	39,238	-	-	-

Non-performing loans in Non-core activities

The net exposure from non-performing loans in Non-core amounted to DKK 5,849 million (31 December 2014: DKK 6,466 million) of which the $average\ unsecured\ portion\ of\ non-performing\ loans\ was\ 0\%\ at\ the\ end\ of\ March\ 2015\ [31\ December\ 2014:\ 10.8\%].$

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

	31 March	31 December
(DKK billions)	2015	2014
Counterparty risk		
Derivatives with positive fair value	490.4	409.4
Credit exposure from other trading and investment securities		
Bonds	609.7	654.2
Shares	21.8	9.8
Other unutilised commitments	0.5	0.5
Total	1,122.5	1,073.9

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

Bond portfolio

Boria poi tiolio							
	Central and	Quasi-	Danish	Swedish	Other		
(DKK millions)	local govern-	government	mortgage	covered	covered	Corporate	
31 March 2015	ment bonds	bonds	bonds	bonds	bonds	bonds	Total
Held-for-trading	135,357	5,919	67,015	48,846	8,156	24,374	289,667
Designated at fair value	34,837	1,125	94,523	18,303	2,361	4,793	155,942
Available-for-sale	155	714	49,267	-	2,117	-	52,253
Hold-to-maturity	60,324	1,328	47,681	261	1,591	686	111,871
Total	230,673	9,086	258,486	67,410	14,225	29,853	609,733
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 31 March 2015, the Group had an additional bond portfolio worth DKK 154,078 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 31 March 2015 and 31 December 2014.

	n by geographical area						
	Central and	Quasi-	Danish	Swedish	Other		
(DKK millions)	local govern-	government	mortgage	covered	covered	Corporate	
31 March 2015	ment bonds	bonds	bonds	bonds	bonds	bonds	Tota
Denmark	21,091	-	258,486	-	_	5,686	285,26
Sweden	38,475	-	, -	67,410	-	7,302	113,18
UK	23,785	83	-		2,830	1,729	28,42
Norway	7,636	28	-	-	6,279	3,012	16,95
USA	3,547	1,256	-	-		1,010	5,81
Spain	10,894	-	-	-	1,638	-	12,53
France	17,273	-	-	-	1,394	1,966	20,63
Luxembourg	-	7,539	-	-	-	46	7,58
Finland	13,587	171	-	-	1,419	2,462	17,63
Ireland	8,186	-	-	-	172	134	8,49
Italy	9,893	-	-	-	-	-	9,89
Portugal	1,666	-	-	-	-	-	1,66
Austria	8,886	-	-	-	-	1	8,88
Netherlands	11,539	-	-	-	87	4,053	15,68
Germany	43,865	-	-	-	238	935	45,03
Belgium	9,109	-	-	-	168	-	9,27
Other	1,244	8	-	-	1	1,520	2,77
Total	230,673	9,086	258,486	67,410	14,225	29,853	609,73
31 December 2014							
Denmark	16,835	-	293,827	-	1,508	6,748	318,91
Denmark Sweden	16,835 24,794	-	293,827 -	- 70,708	1,508	6,748 7,191	
		102	293,827 - -	- 70,708 -	1,508 - 3,443		102,69
Sweden	24,794	102 -	293,827 - - -	- 70,708 - -	-	7,191	102,69 22,64
Sweden UK	24,794 17,434	102 - 1,264	293,827 - - - -	- 70,708 - - -	- 3,443	7,191 1,667	102,69 22,64 18,43
Sweden UK Norway	24,794 17,434 8,556	-	293,827 - - - - -	- 70,708 - - - -	- 3,443	7,191 1,667 3,138	102,69 22,64 18,43 5,33
Sweden UK Norway USA	24,794 17,434 8,556 2,486	-	293,827 - - - - - -	70,708 - - - - - -	3,443 6,741	7,191 1,667 3,138	102,69 22,64 18,43 5,33 10,13
Sweden UK Norway USA Spain France	24,794 17,434 8,556 2,486 7,750	-	293,827 - - - - - - -	70,708 - - - - - -	3,443 6,741 - 2,380	7,191 1,667 3,138 1,586	102,69 22,64 18,43 5,33 10,13
Sweden UK Norway USA Spain	24,794 17,434 8,556 2,486 7,750 24,753	1,264 - -	293,827 - - - - - - -	70,708 - - - - - - -	3,443 6,741 - 2,380 1,146	7,191 1,667 3,138 1,586 - 1,778	102,69 22,64 18,43 5,33 10,13 27,67 8,18
Sweden UK Norway USA Spain France Luxembourg Finland	24,794 17,434 8,556 2,486 7,750 24,753	1,264 - - 8,133	293,827 	70,708 - - - - - - - -	3,443 6,741 - 2,380 1,146	7,191 1,667 3,138 1,586 - 1,778 49	102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55
Sweden UK Norway USA Spain France Luxembourg Finland Ireland	24,794 17,434 8,556 2,486 7,750 24,753	1,264 - - 8,133	293,827 	70,708 	3,443 6,741 - 2,380 1,146 - 1,525	7,191 1,667 3,138 1,586 - 1,778 49 2,566	102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55
Sweden UK Norway USA Spain France Luxembourg Finland Ireland	24,794 17,434 8,556 2,486 7,750 24,753 - 18,406 11,469	1,264 - - 8,133	293,827 	70,708	3,443 6,741 - 2,380 1,146 - 1,525	7,191 1,667 3,138 1,586 - 1,778 49 2,566 29	102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55 11,61
Sweden UK Norway USA Spain France Luxembourg	24,794 17,434 8,556 2,486 7,750 24,753 - 18,406 11,469 10,587	1,264 - - 8,133	293,827 	70,708	3,443 6,741 - 2,380 1,146 - 1,525	7,191 1,667 3,138 1,586 - 1,778 49 2,566 29	102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55 11,61 10,58 2,12
Sweden UK Norway USA Spain France Luxembourg Finland Ireland Italy Portugal	24,794 17,434 8,556 2,486 7,750 24,753 - 18,406 11,469 10,587 2,123	1,264 - - 8,133	293,827 	70,708	3,443 6,741 - 2,380 1,146 - 1,525 112	7,191 1,667 3,138 1,586 - 1,778 49 2,566 29	102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55 11,61 10,58 2,12 8,87
Sweden UK Norway USA Spain France Luxembourg Finland Ireland Italy Portugal Austria	24,794 17,434 8,556 2,486 7,750 24,753 - 18,406 11,469 10,587 2,123 8,876	1,264 - - 8,133	293,827 	70,708	3,443 6,741 - 2,380 1,146 - 1,525 112	7,191 1,667 3,138 1,586 - 1,778 49 2,566 29 - -	102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55 11,61 10,58 2,12 8,87 18,53
Sweden UK Norway USA Spain France Luxembourg Finland Ireland Italy Portugal Austria Netherlands	24,794 17,434 8,556 2,486 7,750 24,753 - 18,406 11,469 10,587 2,123 8,876 14,986	1,264 - - 8,133	293,827 	70,708	3,443 6,741 - 2,380 1,146 - 1,525 112 - -	7,191 1,667 3,138 1,586 - 1,778 49 2,566 29 - 3 3,375	102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55 11,61 10,58 2,12 8,87 18,53 52,33
Sweden UK Norway USA Spain France Luxembourg Finland Ireland Italy Portugal Austria Netherlands Germany	24,794 17,434 8,556 2,486 7,750 24,753 - 18,406 11,469 10,587 2,123 8,876 14,986 50,644	1,264 - - 8,133	293,827	70,708	3,443 6,741 - 2,380 1,146 - 1,525 112 - - 171 233	7,191 1,667 3,138 1,586 - 1,778 49 2,566 29 - 3 3,375 1,458	318,91 102,69 22,64 18,43 5,33 10,13 27,67 8,18 22,55 11,61 10,58 2,12 8,87 18,53 52,33 10,95 2,67

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

(DKK millions)							
ond portfolio broken dowr	hv external ratio	nge					
(DKK millions)	Central and local govern-	Quasi- government	Danish mortgage	Swedish covered	Other covered	Corporate	
31 March 2015	ment bonds	bonds	bonds	bonds	bonds	bonds	Tot
AAA	124,463	5,421	257,711	67,410	11,005	346	466,35
AA+	63,252	1,566	-	-	988	963	66,70
AA	4,183	2,070	44	-	728	1,359	8,3
AA-	7,465	-	197	-	-	2,658	10,3
A+	156	-	-	-	34	7,624	7,8
А	265	-	2	_	955	8,187	9,4
Α -	633	-	-	_	138	2,579	3,3
BBB+	8,474	-	1	_	186	1,857	10,5
BBB	20,084	-	229	_	_	2,566	22,8
BBB-	1	_		_	_	715	7
BB+	1,528	_	_	_	192	159	1,8
BB	138	_	_	_		404	5
BB-	-	_	_	_	_	29	J
Sub-inv. grade or unrated	33	28	300	-	-	407	7
Total	230,673	9,085	258,486	67,410	14,226	29,853	609,7
31 December 2014							
AAA	129,636	5,477	293,406	64,717	13,067	518	506,8
4 A+	48,303	1,146	-	-	59	957	50,4
AA	15,207	2,937	-	5,990	1,473	934	26,5
4A-	6,426	-	199	-	-	3,852	10,4
4 +	156	-	-	_	_	8,076	8,2
Α	209	-	1	_	231	8,329	8,7
Δ-	3	-	-	_	1,466	2,315	3,7
BBB+	16,362	-	2	_	185	1,419	17,9
BBB	13,358	-	220	-	2	2,982	16,5
3BB-	34	-		-	401	343	7
3B+	2,157	-	-	_	184	249	2,5
3B	-,13,	-	-	_	254	566	2,0
BB-	-	-	-	-	8	26	J
Sub-inv. grade or unrated	137	-	-	-	18	267	4
Total	231,989	9,560	293,827	70,708	17,349	30,834	654,2

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	31 March 2015	31 December 2014
Derivatives with positive fair value before netting	838,311	783,901
Netting (under accounting rules)	347,929	374,459
Carrying amount	490,382	409,442
Netting (under capital adequacy rules)	355,693	300,206
Net current exposure	134,689	109,236
Collateral	67,139	59,170
Net amount	67,550	50,066
Derivatives with positive fair value after netting for accounting purposes:		
Interest rate contracts	310,001	277,654
Currency contracts	179,305	130,126
Other contracts	1,076	1,662
Total	490,382	409,442

Statement by the management

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

The interim financial statements have been prepared in accordance with IAS 34, Interim Financial reporting, as adopted by the EU. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of listed financial institutions.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities, total equity and financial position at 31 March 2015 and of the results of the Group's operations and the consolidated cash flows for the period starting 1 January 2015 and ending on 31 March 2015. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group.

Copenhagen, 30 April 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
Carsten Eilertsen	Charlotte Hoffmann	Steen Lund Olsen

Supplementary information

Conference call

Danske Bank will hold a conference call on 30 April 2015 upon the presentation of its interim report for the first quarter of 2015. The conference call is scheduled for 2.30pm CET. The conference call will be webcast live at danskebank.com.

Financial calendar

22 July 2015	Interim Report – First half 2015
29 October 2015	Interim Report – First nine months 2015

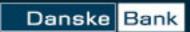
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Danske Capital	danskecapital.com
Danica Pension	danicapension.dk

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



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