

INTERIM REPORT
FIRST HALF 2014



CONTENTS

3 | MANAGEMENT REPORT

- 3 | Financial Review
- 5 | Operational Developments
- 8 | Outlook 2014

9 | INTERIM FINANCIAL STATEMENTS - SAXO BANK GROUP

- 9 | Income Statement
- 10 | Statement of Comprehensive Income
- 11 | Statement of Financial Position
- 13 | Statement of Changes in Equity
- 14 | Statement of Total Capital
- 15 | Cash Flow Statement
- 16 | Notes

25 | INTERIM FINANCIAL STATEMENTS - SAXO BANK A/S

- 25 | Income Statement
- 26 | Statement of Comprehensive Income
- 27 | Statement of Financial Position
- 29 | Statement of Changes in Equity
- 30 | Statement of Total Capital
- 31 | Notes

36 | STATEMENT BY THE MANAGEMENT

37 | COMPANY INFORMATION

FINANCIAL REVIEW

Saxo Bank Group reported a net profit of DKK 156 million for the first 6 months of 2014, and clients' collateral deposits increased by DKK 9.7 billion to a record high of DKK 60.3 billion by the end of the first half of 2014.

The inflow of clients' collateral and new clients continued successfully in 2014, but the perceived uncertainty concerning the recovery in the global economy continued as well in the first half of 2014 and, together with the situation in Ukraine, Iraq and elsewhere, kept trading low but up compared to the second half of 2013. The result was thus disappointing but consistent with market conditions.

Although low market volatility and low trading volumes reduced the positive effects of the increase in trading recorded in the first half of 2014, the operating income for the Group reached DKK 1.35 billion, an increase of 20% compared to the second half of 2013. Other income was DKK 80 million, mainly related to gains on sale of claims.

Operating costs were DKK 1.01 billion for the Group, a decrease of 10% from the first half of 2013, underlining the continued implementation of a lower cost run rate. Impairment charges for receivables, loans, advances etc. were a net income of DKK 18 million due to reversal of accruals of DKK 30 million. Impairment charges of DKK 6 million in the first half of 2014 stem from retail lending in the subsidiary Saxo Privatbank A/S.

Depreciation was DKK 198 million in the first half of 2014. Adjusted for write-down of non-core activities, this is on par with the first half of 2013. Income from associates and joint ventures includes write down on goodwill of DKK 11 million on associated non-core activities.

The continuing increase in clients' collateral deposits of DKK 9.7 billion shows the strength of the business model. The cash inflow from clients' cash deposits is placed with counterparty banks as well as in bonds and other interest-bearing assets.

Trading assets increased by DKK 2.2 billion to DKK 20.5 billion as of 30 June 2014 compared to 31 December 2013. The development is the outcome of the increase in trading activity and client deposits.

KEY FIGURES AND RATIOS • SAXO BANK GROUP

(DKK million)	First half 2014	First half 2013	First half 2012	First half 2011	First half 2010
Operating income	1,347.2	1,748.7	1,416.8	1,769.4	1,992.3
EBITDA ¹⁾	448.3	649.0	267.4	608.0	824.3
Profit before tax	222.2	406.7	75.6	473.5	728.5
Net profit	156.4	266.7	43.5	345.7	551.2
Total shareholders' equity	3,650.8	3,633.8	3,357.6	3,197.6	3,018.8
Total assets	29,832.0	27,915.4	29,896.8	26,801.5	21,233.7
Clients' collateral deposits	60,348.6	44,022.5	38,730.4	32,855.0	26,589.5
Assets under management (Wealth management)	13,573.6	13,587.7	13,025.3	10,116.0	11,343.3
Total capital ratio	15.4%	16.2%	12.0%	12.3%	19.2%
Return on equity before tax	6.2%	11.6%	2.3%	15.6%	27.2%
Average number of employees	1,440	1,354	1,527	1,365	871

¹⁾ Net profit before tax, depreciation, amortisation, income from associates and joint ventures and non-trading related interest expenses etc.

See definitions in Saxo Bank's Annual Report 2013 page 112.

The consolidated figures are prepared in accordance with International Financial Reporting Standards (IFRS).

Total assets grew from DKK 27.7 billion as of 31 December 2013 to DKK 29.8 billion as of June 2014, an increase of 8% primarily due to the increase in deposits of DKK 2.2 billion.

No events occurring after the reporting date have had significant impact on the financial position of the Bank or the Group.

CAPITAL & ICAAP

The capital requirement is calculated according to the Fourth edition of the Capital Requirements Directive (CRD IV) and Capital Requirements Regulation (CRR).

As of 30 June 2014, the Common Equity Tier 1 ratio, the Tier 1 Capital ratio and the Total Capital ratio for the Group were 13.1%, 13.8% and 15.4% after inclusion of the total comprehensive income for the first half of 2014.

The Statement of Total Capital shows the capital ratios as of 31 December 2013 corresponding to the old regulation, and as of 1 January 2014 corresponding to the current regulation. The external subordinated debt issued by the Group does not fulfil the requirements in CRR. It will therefore be reduced stepwise from beginning of 2014 to end of 2017 based on CRR and the Danish transition rules, and will be eliminated fully by the end of 2017.

As of 30 June 2014, the Group's Internal Capital Adequacy Assessment Process (ICAAP) showed a capital requirement of 12.5% of risk-weighted assets, equivalent to DKK 1.83 billion. The Common Equity Tier 1 buffer was DKK 436 million.

The assumptions and methodology used for capital calculations are disclosed in ICAAP Q2 2014 Report and Risk Report 2013, which are available at www.saxoworld.com/investorrelations. The calculated Total Capital as of 30 June 2014 may change due to EBA's and Danish FSA's issuance of final versions of regulation standards and guidelines, including pending final standards regarding Prudent Valuation Adjustments in Common Equity Tier 1 Capital.

FUTURE LIQUIDITY REQUIREMENTS

CRD IV and CRR require Saxo Bank and Saxo Bank Group to monitor and report a short term Liquidity Coverage Ratio (LCR) and a long term Net Stable Funding Ratio (NSFR). In Denmark, LCR will be phased in as a new minimum liquidity requirement, i.e. a gradual phasing in of 60% of the full requirement in 2015 to 100% in 2018. In addition, the Group expects to be required to hold an additional liquidity buffer.

The fulfilment of current liquidity requirement is published in the Supervisory Diamond half year 2014 report available at www.saxoworld.com/investorrelations.

FSA INSPECTION AT SAXO BANK A/S

The Danish FSA conducted an inspection at Saxo Bank A/S in February 2014 of the Bank's client risk management processes and in particular, those that relate to WLC's margin trading in light of an incident in fourth quarter 2013 described in the Annual Report 2013. The FSA assessed that the incident was caused by weaknesses in the Bank's manual risk management of WLC's margin trading, including that the Bank's risk management practices were insufficient at the time. As a consequence the Danish FSA in May 2014 issued Executive Orders and Risk Information. The FSA further inspected and concluded that the Bank's calculation of its own solvency capital requirements as of end March 2014 was sufficient in light of the Bank's risk management of clients' margin trading.

RISK MANAGEMENT

For a detailed description of the Group's significant risks and external conditions that may affect the Group, see the Annual Report 2013 and Risk Report 2013 and quarterly ICAAP reports published on the Group's website, www.saxoworld.com.

OPERATIONAL DEVELOPMENTS

TRADINGFLOOR.COM

TradingFloor.com is an interactive community for traders featuring financial news and analysis, market data and trade ideas from Saxo Bank's research team and VIP authors.

In early 2014, Saxo Bank re-launched TradingFloor.com as a social trading platform, becoming the first major player in the financial industry to move into multi-asset social trading. With over 26,000 members, TradingFloor.com now attracts 300,000 unique visitors every month, up from 45,000 visitors per month one year earlier. The site plays a central role in attracting new clients to the Bank and further engaging our existing clients.

The new TradingFloor.com aims to transform trading into a social experience by combining popular social features with Saxo Bank's online trading platform. Users are able to share their trading strategies and activities, join in online discussions, follow and copy other traders, as well as trade various asset types directly from the site. TradingFloor.com features only real traders with real accounts so that users can be sure of the performance of those they choose to follow or copy.

In May, Saxo TV, our web-based business television service integrated with TradingFloor.com, celebrated its first year of operations and expanded its reporting out of London, targeting high-profile newsmakers and commentators to provide a broader range of opinions and attract a wider audience.

TradingFloor.com has also been launched in multiple language versions, including Russian, French, German, Turkish and Greek, and our Spanish and Latin versions of the Sala De Inversión website have now migrated to TradingFloor.com.

PRODUCT DEVELOPMENT

Developing our product portfolio remains a key focus for Saxo Bank, and we began 2014 with the addition of two new FX spot crosses, enabling clients to trade the Croatian Koruna against the Euro and US Dollar. Two new spot metal crosses – Gold against the Chinese Renminbi and the Swiss Franc – have also been added, increasing

our FX spot range to 184 crosses. In May and June, we also introduced eight new FX forward outright, bringing our total offering in forwards to 123 pairs available for any value date up to one year.

In April, our range of OTC FX options expanded with the addition of two new pairs, the Chinese Renminbi and Czech Koruna against the US Dollar. Part of our growing China FX portfolio, the Renminbi option provides our clients with greater flexibility in trading the Chinese currency. Altogether, Saxo Bank now offers FX options on 45 currency pairs as well as options on Gold and Silver.

Futures spread trading was launched across all of our platforms in February, enabling clients to trade futures spreads on a variety of assets, including gold, oil and other commodities, interest rates, bonds and major stock indices. With futures spread trading, clients can use a single order ticket to roll over their futures positions, without legging or spread risk.

Our launch of stock options in April marked a major new addition to Saxo Bank's equity offering, and reflects a growing appetite for options trading among investors. At launch, the top 200 stock options across the US, Europe and Asia-Pacific were made available to clients, and in May Swiss stock options were added. A new content sharing agreement with the Options Industry Council was also signed in April, making the Council's extensive options education material available to all clients.

A new Portugal 20 index-tracking CFD was also added in April, and the same month, Saxo Bank became the first retail broker to offer direct access to IEX, the alternative trading system (ATS), which focuses on investor protection and performance by resisting high frequency trading. In May, our suite of algorithmic orders was expanded to cover the Tokyo and Hong Kong exchanges.

PLATFORM ENHANCEMENTS

Our desktop platform, SaxoTrader, received several enhancements in the first half of 2014. This includes a new column displaying profit and loss for FX positions in pips, new exposure columns allowing clients to monitor the effective exposure of individual positions, a new "Notice Date" column for clients trading futures and an "Open Interest" column displaying the Open Interest of all available upcoming expiries.

In March, improved icons and colour coding were added, and the chat module was revamped. In April, a number of enhancements were made to our charting function, including the ability to show trades and open orders in the chart.

Saxo ERPTrader, our integrated solution for the Microsoft NAV application, was launched in February. Aimed at small and medium-sized companies, Saxo ERPTrader enables clients to hedge their currency exposures directly from their NAV accounting systems via online trading with Saxo Bank, and offers improved liquidity and debtor management. Currently, Saxo ERPTrader is available for Danish and Nordic corporate clients.

GEOGRAPHICAL EXPANSION

Saxo Bank continues to see local presence as a key competitive advantage, and following last year's office openings in Turkey and Latin America, we returned to the Middle East in May 2014 to launch a new office in Abu Dhabi, our second location in the UAE.

In 2009, Saxo Bank became the first Scandinavian bank to establish a presence in the Gulf Corporation Council region, when we launched our office in the Dubai International Financial Centre. Our new office further strengthens our presence in the region and positions Saxo Bank to meet the needs of local investors as Abu Dhabi enters a new phase of economic development and expansion.

With this latest office opening, Saxo Bank is now present in 26 countries.

RETAIL BANKING

In January, Saxo Privatbank officially launched Saxo-Investor, an online portfolio management tool that enables retail investors to select a risk profile, choose between portfolios in Danish mutual funds or iShares ETFs, and set an amount to invest. Subsequent portfolio rebalancing and asset allocation is handled by the Bank's team of portfolio managers.

Saxo Privatbank has been working to integrate the SaxoTrader platform with the current banking infrastructure (SDC) and in June, the first customers began to migrate from the bank's existing legacy trading system to the new platform.

The new platform will also be made available to local SDC banks in Denmark, enabling them to be more competitive in relation to online trading by offering customers access to a broader range of trading products at competitive prices.

SPONSORSHIP ACTIVITIES

With our sponsorship of cycling team Tinkoff-Saxo continuing through 2014, Saxo Bank has a unique opportunity to reach key client groups through cycling's growing popularity.

Saxo Bank also forged ties with another high performance sport in January, announcing a new business partnership with Lotus F1 Team.

In addition to supporting the Lotus F1 Team as a whole, Saxo Bank sponsors the Team's Reserve and Development driver, Marco Sørensen of Denmark, as he competes for the Tech 1 Racing team in the World Series by Renault and MP Motorsport team in the GP2 Series.

In May, we expanded our branding of the Lotus F1 Team's E22 race car, which featured Saxo Bank's logo during the Monaco Grand Prix. Ultimately, Saxo Bank branding will be displayed on five of the Team's Formula One and Formula Renault 3.5 cars.

INSTITUTIONAL BUSINESS

In the first half of 2014, Saxo Bank added further resources to accelerate the development of its competitive position in the institutional clients segment. The focus is on developing the offering and service solutions to better meet the needs of financial institutions including Banks, Brokers, Asset Managers, Money Managers, Hedge Funds, Funds, Introducing Brokers, Broker Dealers and other professional and corporate clients.

Building on the Bank's industry leading solutions for White Label clients and Introducing Brokers, Saxo Bank is currently developing new, innovative solutions for a broader range of institutional segments, enabling more financial institutions to effectively service their clients by using Saxo Bank's trading platforms, trading infrastructure and broad suite of back office services. In the first half of 2014 this strategy resulted in new business relationships being established with several important new institutional clients.

To ensure that the entire organisation is adapted to service the needs of more demanding institutional and professional clients, the client service set-up has been restructured and streamlined. Four major service hubs have been established in Copenhagen, London, Zürich and Singapore, each comprising resources with relevant expertise to provide superior service.

Saxo Bank also launched the FX Prime Brokerage offering coupled with a FIX API connection to ECN liquidity, cementing that the institutional business and clients are key priorities.

AWARDS

Saxo Bank's list of industry awards has been growing since 2003, and in the first half of 2014, we were recognised with three new awards for our technology and services.

For the sixth time Saxo Bank has won the prestigious e-FX award for "Best Retail Platform" in 2014. The FX Week e-FX Award recognises industry excellence in electronic foreign exchange among banks, brokers, vendors and the buy side.

In April, Saxo Bank's institutional business won the "Best Outsourcing Provider" award at the Sell-Side Technology Awards 2014. The winners were chosen by a jury of sell-side professionals and senior staff from Waters magazine.

Less than four months after its launch, the new Trading-Floor.com was named the "Most Innovative Social Trading Platform" in May, at the IFM Awards 2014. Presented by International Finance Magazine, the IFM Awards are designed to recognise individuals and organisations that make a significant contribution to the international finance industry.

SAXO BANK'S BUSINESS MODEL

Saxo Bank brings value to its clients by providing easy and cost-efficient access to global financial markets. Historically, financial markets were for financial institutions only, and private clients were severely restricted in their access to market information and trading execution venues. With the Internet came the ability to open the

world's capital markets to private clients who could get real-time market information and execute live transactions. Saxo Bank was, and still is, a pioneer in providing innovative solutions to people who want to invest and trade the world's financial markets. Today, the Bank's focus has expanded from private clients to include financial institutions such as hedge funds, asset managers and corporates, for whom Saxo Bank has developed dedicated solutions and service models.

Our ambition is to empower clients to act according to their beliefs about the market, squeezing out cost inefficiencies to enable sharp pricing and developing trading systems and infrastructures that are fast and robust. This gives clients secure access to the market at any time, as well as access to a wealth of support in the form of news, market information, ideas, social interaction with fellow traders and assistance when needed.

In this way, Saxo Bank supports our clients in benefitting from the opportunities in the global financial markets, whether in connection with managing their wealth, optimising their financial positions, reducing financial risks or enjoying the experience of being able to trade at prices and terms which in the past were only available to banks and large financial institutions.

CHANGES TO BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

On 14 April 2014, Asiff Hirji was elected new member and Chairman of the Board. Former Chairman Dennis Malamatinas left the Board in order to assume the important role as Global Head of Marketing and Regions in the Saxo Group. Concurrently Sarah McPhee entered the Board as new member and Karl I. Peterson went from ordinary member to alternate member of the Board. The Board of Saxo Bank consists of Asiff Hirji, Chairman, Lone Fønss Schrøder, Vice Chairman, Jacob Polny, Sarah McPhee and Thomas Plenborg.

On 22 April 2014, new Global Head of Finance and Risk Operations as well as member of the Board of Management Steen Blaafalk joined Saxo Bank. Board of Management consists of Co-CEO Kim Fournais and Co-CEO Lars Seier Christensen and Steen Blaafalk.

OUTLOOK 2014

Saxo Bank expects the markets to remain uncertain until the recovery of the global economy and the effects of the expected roll-back of various quantitative easings become clear.

Overall, the Bank finds the market situation hard to predict, and visibility remains low.

Saxo Bank expects to continue the ongoing development of its traditional trading business. The focus remains on clients, efficiency, profitability and optimisation of the entire value chain.

Cost control, capital and liquidity management are, as ever, ongoing themes for Saxo Bank in 2014. With a close eye on overall cost development, the Group will continue its investments in products and platforms. At the same time, system enhancements and knowledge upgrades are expected within the Bank's core business areas.

FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements. Statements herein, other than statements of historical fact, regarding future events or prospects are forward-looking statements. The words "may", "will", "should", "expect", "anticipate", "believe", "estimate", "plan", "predict", "intend" or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements. Saxo Bank has based these forward-looking statements on its current views with respect to future

events, a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of Saxo Bank. Although Saxo Bank believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may differ materially. As a result, you should not rely on these forward-looking statements. Saxo Bank undertakes no obligation to update or revise any forward-looking statements.

INCOME STATEMENT – SAXO BANK GROUP

Note	(DKK 1,000)	First half 2014	First half 2013
2	Interest income	570,400	496,491
3	Interest expense	(95,039)	(88,566)
	Net interest income	475,361	407,925
4	Fee and commission income	540,355	599,171
5	Fee and commission expense	(498,530)	(539,383)
	Net interest, fees and commissions	517,186	467,713
6	Price and exchange rate adjustments	830,053	1,281,000
	Operating income	1,347,239	1,748,713
	Other income	79,545	62,388
	Staff costs and administrative expenses	(1,014,490)	(1,121,944)
	Depreciation, amortisation and impairment of intangible and tangible assets	(197,556)	(221,120)
	Other expenses	(9,217)	(63,396)
7	Impairment charges for receivables, loans, advances etc.	18,377	(6,874)
	Income from associates and joint ventures	(1,724)	8,981
	Profit before tax	222,174	406,748
9	Tax	(65,728)	(140,062)
	Net profit	156,446	266,686
	Net profit attributable to:		
	Shareholders of Saxo Bank A/S	161,750	261,919
	Non-controlling interests	(5,304)	4,767
	Net profit	156,446	266,686

STATEMENT OF COMPREHENSIVE INCOME – SAXO BANK GROUP

(DKK 1,000)	First half 2014	First half 2013
Net profit	156,446	266,686
Other comprehensive income		
Items that will not be reclassified subsequently to income statement:		
Tax on other comprehensive income	-	2,012
Items that will not be reclassified subsequently to income statement	-	2,012
Items that may be reclassified subsequently to income statement:		
Exchange rate adjustments	27,572	(48,030)
Fair value adjustment of cash flow hedges:		
Effective portion of changes in fair value	(23,638)	11,721
Net amount transferred to profit or loss	7,069	7,634
Hedge of net investments in foreign entities	(22,140)	32,127
Other comprehensive income from associates, net of tax	256	212
Tax on other comprehensive income	9,422	(13,066)
Items that may be reclassified subsequently to income statement	(1,459)	(9,402)
Total other comprehensive income, net of tax	(1,459)	(7,390)
Total comprehensive income	154,987	259,296
Total comprehensive income attributable to:		
Shareholders of Saxo Bank A/S	160,291	254,529
Non-controlling interests	(5,304)	4,767
Total comprehensive income	154,987	259,296

STATEMENT OF FINANCIAL POSITION – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2014	31 Dec. 2013
ASSETS			
	Cash in hand and demand deposits with central banks	1,779,741	1,660,392
7	Receivables from credit institutions and central banks	2,166,693	2,070,192
8	Trading assets	20,544,726	18,353,461
7	Loans and advances at amortised cost	1,781,897	1,956,220
	Investment securities	65,627	60,576
	Current tax assets	150,450	134,982
	Assets held for sale	-	136,589
	Investments in associates and joint ventures	319,750	326,070
11	Intangible assets	1,906,332	1,911,233
	Investment properties	2,690	4,190
	Tangible assets	860,115	890,761
	Deferred tax assets	16,632	15,660
	Other assets	237,308	225,870
Total assets		29,831,961	27,746,196

STATEMENT OF FINANCIAL POSITION – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2014	31 Dec. 2013
LIABILITIES			
	Debt to credit institutions and central banks	2,305,873	2,179,713
8	Trading liabilities	2,327,777	2,600,997
	Deposits	20,009,759	17,852,479
	Current tax liabilities	54,202	163,214
	Deferred tax liabilities	96,511	90,931
	Other liabilities	591,153	492,013
	Provisions	58,785	66,275
12	Subordinated debt	737,084	807,893
	Total liabilities	26,181,144	24,253,515
EQUITY			
	Share capital	66,599	66,599
	Translation reserve	135,723	124,866
	Hedging reserve	(50,255)	(37,683)
	Revaluation reserve	56,605	57,426
	Retained earnings	3,412,517	3,246,804
	Shareholders of Saxo Bank A/S	3,621,189	3,458,012
	Non-controlling interests	29,628	34,669
	Total shareholders' equity	3,650,817	3,492,681
	Total liabilities and equity	29,831,961	27,746,196

STATEMENT OF CHANGES IN EQUITY – SAXO BANK GROUP

(DKK 1,000)	Shareholders of Saxo Bank A/S						Non-controlling interests	Total
	Share capital	Translation reserve	Hedging reserve	Revaluation reserve	Retained earnings	Total		
Shareholders' equity at 1 January 2014	66,599	124,866	(37,683)	57,426	3,246,804	3,458,012	34,669	3,492,681
Net profit	-	-	-	-	161,750	161,750	(5,304)	156,446
Other comprehensive income								
Exchange rate adjustments	-	27,572	-	-	-	27,572	-	27,572
Fair value adjustment of cash flow hedges	-	-	(16,569)	-	-	(16,569)	-	(16,569)
Hedge of net investments in foreign entities	-	(22,140)	-	-	-	(22,140)	-	(22,140)
Revaluation of domicile properties	-	-	-	(1,087)	1,087	-	-	-
Other comprehensive income from associates, net of tax	-	-	-	-	256	256	-	256
Tax on other comprehensive income	-	5,425	3,997	266	(266)	9,422	-	9,422
Total other comprehensive income	-	10,857	(12,572)	(821)	1,077	(1,459)	-	(1,459)
Total comprehensive income	-	10,857	(12,572)	(821)	162,827	160,291	(5,304)	154,987
Transactions with owners								
Share-based payments	-	-	-	-	3,014	3,014	135	3,149
Transactions with non-controlling interests	-	-	-	-	(128)	(128)	128	-
Shareholders' equity at 30 June 2014	66,599	135,723	(50,255)	56,605	3,412,517	3,621,189	29,628	3,650,817
Shareholders' equity at 1 January 2013	66,598	168,651	(57,534)	54,921	3,089,150	3,321,786	42,720	3,364,506
Net profit	-	-	-	-	261,919	261,919	4,767	266,686
Other comprehensive income								
Exchange rate adjustments	-	(48,030)	-	-	-	(48,030)	-	(48,030)
Fair value adjustment of cash flow hedges	-	-	19,355	-	-	19,355	-	19,355
Hedge of net investments in foreign entities	-	32,127	-	-	-	32,127	-	32,127
Other comprehensive income from associates, net of tax	-	-	-	-	212	212	-	212
Tax on other comprehensive income	-	(8,032)	(5,034)	2,012	-	(11,054)	-	(11,054)
Total other comprehensive income	-	(23,935)	14,321	2,012	212	(7,390)	-	(7,390)
Total comprehensive income	-	(23,935)	14,321	2,012	262,131	254,529	4,767	259,296
Transactions with owners								
Acquisitions	-	-	-	-	4,903	4,903	36,001	40,904
Share-based payments	-	-	-	-	300	300	-	300
Increase in share capital	1	-	-	-	87	88	-	88
Treasury shares	-	-	-	-	(8,099)	(8,099)	-	(8,099)
Transactions with non-controlling interests	-	-	-	-	-	-	(23,169)	(23,169)
Shareholders' equity at 30 June 2013	66,599	144,716	(43,213)	56,933	3,348,472	3,573,507	60,319	3,633,826

STATEMENT OF TOTAL CAPITAL – SAXO BANK GROUP

(DKK 1,000)	30 June 2014	1 Jan. 2014	31 Dec. 2013
Tier 1 capital			
Shareholders' equity 1 January excl. non-controlling interests	3,458,012	3,458,012	3,321,786
Net profit excl. non-controlling interests	161,750	-	159,499
Total other comprehensive income	(1,459)	-	(19,550)
Change in common equity tier 1 capital (CET1 capital)	-	-	(3,723)
Revaluation reserve	-	-	(57,426)
Common equity tier 1 capital from subsidiaries	157,827	166,100	205,268
Hedging reserve	50,255	37,683	-
Intangible assets ¹⁾	(2,077,527)	(2,094,427)	(2,094,427)
Deferred tax liabilities, intangible assets	202,057	215,924	215,924
Deferred tax assets	(6,290)	(4,500)	(140,653)
Defined benefit pension fund assets	(230)	(12,700)	-
Prudent valuation adjustments	(11,623)	(21,700)	-
Common equity tier 1 capital (net after deduction)	1,932,772	1,744,392	1,586,698
Tier 1 capital from subsidiaries	91,468	94,000	105,530
Fair value reserve cash flow hedges	-	-	37,682
Investments in associates (50%) ²⁾	-	-	(61,969)
Total tier 1 capital	2,024,240	1,838,392	1,667,941
Tier 2 capital			
Subordinated loans, reduced value	223,207	256,500	354,350
Tier 2 capital from subsidiaries	22,384	34,700	21,916
Revaluation reserve	-	-	57,426
Investments in associates (50%) ²⁾	-	-	(61,969)
Total tier 2 capital	245,591	291,200	371,723
Total capital	2,269,831	2,129,592	2,039,664
¹⁾ Including goodwill and other intangible assets recognised as investments in associates and joint ventures, DKK 171.2 million (31 December 2013: DKK 183.2 million).			
²⁾ Relate to investments in associates which are credit institutions, excluding goodwill.			
Risk-weighted assets			
Credit risk	5,015,124	5,113,270	4,243,148
Market risk	3,664,158	2,169,796	1,969,369
Operational risk	6,027,378	6,026,934	6,342,880
Total risk-weighted assets	14,706,660	13,310,000	12,555,397
Common equity tier 1 ratio	13.1%	13.1%	12.6%
Tier 1 capital ratio	13.8%	13.8%	13.3%
Total capital ratio	15.4%	16.0%	16.2%

The Fourth edition of the Capital Requirements Directive (CRD IV) and Capital Requirements Regulation (CRR) were approved by the EU Council of Ministers end of June 2013 and applicable from beginning of 2014. The Statement of Total Capital has been adjusted to the new regulation.

The impact beginning of January 2014 is based on assumptions made 31 December 2013 as the regulation was not effective until end of March 2014. The Saxo Bank Group Risk Report 2013 provides more detailed information about the impact of the new regulation and is available at www.saxoworld.com/investorrelations.

CASH FLOW STATEMENT – SAXO BANK GROUP

(DKK 1,000)	First half 2014	First half 2013
Cash flow from operating activities		
Profit before tax	222,174	406,748
Tax paid	(166,252)	(40,906)
Adjustment for non-cash operating items:		
Income from associates and joint ventures	1,724	(8,981)
Amortisation and impairment charges of intangible assets	153,960	158,005
Depreciation and impairment charges of tangible assets and investment properties	43,596	63,116
Loan impairment charges	(6,356)	6,195
Other non-cash operating items	(13,004)	70,260
Total	235,842	654,437
Changes in operating capital:		
Receivables from credit institutions and central banks	1,683	15,349
Derivative financial instruments	42,862	(266,243)
Loans and advances at amortised cost	174,704	(98,892)
Bonds	(2,493,787)	(3,433,567)
Other assets	121,921	(45,206)
Debt to credit institutions and central banks	126,135	253,081
Deposits	2,119,602	853,762
Provisions and other liabilities	108,743	(6,539)
Cash flow from operating activities	437,705	(2,073,818)
Cash flow from investing activities		
Divestment of businesses, associates, joint ventures and other participating interests, net of cash	2,871	96,831
Acquisition of intangible and tangible assets	(148,383)	(154,253)
Cash flow from investing activities	(145,512)	(57,422)
Cash flow from financing activities		
Redemption of subordinated debt	(74,660)	-
Increase in share capital	-	88
Purchase of treasury shares	-	(8,099)
Cash flow from financing activities	(74,660)	(8,011)
Net increase/(decrease) in cash and cash equivalents	217,533	(2,139,251)
Cash and cash equivalents at 1 January	3,728,901	5,158,518
Cash and cash equivalents at 30 June	3,946,434	3,019,267
Cash and cash equivalents at 30 June		
Cash in hand and demand deposits with central banks	1,779,741	1,755,938
Amounts due from credit institutions and central banks within three months	2,166,693	1,263,329
Cash and cash equivalents at 30 June	3,946,434	3,019,267

NOTES – SAXO BANK GROUP

Note

1 Accounting policies

The interim financial statements of Saxo Bank Group for the first half of 2014 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of financial institutions.

The interim report has not been subject to audit or review.

Apart from the changes set out below, the accounting policies are unchanged compared to those applied in the Group's Annual Report 2013, which provides a comprehensive description of the Group's accounting policies.

Changed in accounting policies

Effective 1 January 2014, the Saxo Bank Group has implemented:

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

Amendments to IAS 27 Separate Financial Statements

Amendments to IAS 28 Investments in Associates and Joint Ventures

Amendments to IAS 32 Financial Instruments: Presentation

Amendments to IAS 39 Financial Instruments: Recognition and Measurement

The implementation of the above-mentioned new standards has no material impact on recognition and measurement.

Critical accounting estimates and judgements

The Group's Annual Report for 2013 specifies critical accounting estimates and judgements.

Comparative figures for first half 2013

Certain minor changes have been made in the comparative figures for 2013 due to reclassification.

NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	First half 2014	First half 2013
2	Interest income		
	Credit institutions and central banks	11,861	11,223
	Loans and advances	88,363	80,182
	Bonds	28,243	30,557
	Derivative financial instruments	438,068	374,529
	Other interest income	3,865	-
	Total interest income	570,400	496,491
3	Interest expense		
	Credit institutions and central banks	(25,605)	(23,099)
	Deposits	(23,489)	(22,744)
	Subordinated loans	(9,085)	(11,712)
	Guarantor capital	(7,367)	(7,229)
	Derivative financial instruments	(29,493)	(23,782)
	Total interest expense	(95,039)	(88,566)
4	Fee and commission income		
	Trading with equities and derivative financial instruments	508,289	525,608
	Payment services fees	2,797	2,399
	Origination fees	11,189	10,348
	Guarantee commissions	565	618
	Asset management fees	11,338	54,557
	Other fee and commission income	6,177	5,641
	Total fee and commission income	540,355	599,171
5	Fee and commission expense		
	Trading with equities and derivative financial instruments	(498,530)	(539,383)
	Total fee and commission expense	(498,530)	(539,383)
6	Price and exchange rate adjustments		
	Bonds	(68)	(6,383)
	Investment securities	2,259	1,675
	Foreign exchange	602,592	1,029,893
	Derivative financial instruments	225,270	255,815
	Total price and exchange rate adjustments	830,053	1,281,000

NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2014	31 Dec. 2013
7	Impairment for receivables, loans, advances etc.		
	Individual impairment for loans, advances and guarantees		
	Impairment at 1 January	130,902	183,005
	Impairment	10,981	25,144
	Reversals of impairment from previous years	(29,736)	(9,204)
	Other	1,089	2,798
	Loss written off	(18,376)	(70,841)
	Individual impairment for loans, advances and guarantees, end of period	94,860	130,902
	No individual impairment for receivables from credit institutions and central banks has been recognised at 30 June 2014 (31 December 2013: DKK 0 million).		
	Collective impairment for loans, advances and guarantees		
	Impairment at 1 January	5,895	4,243
	Impairment	1,456	1,652
	Reversals of impairment from previous years	(1,377)	
	Collective impairment for loans, advances and guarantees, end of period	5,974	5,895
8	Trading assets and liabilities		
	Listed bonds	15,126,907	12,622,200
	Unlisted bonds	1,131	2,200
	Listed equities	469	797
	Unlisted equities	2,908	3,320
	Derivative financial instruments with positive fair value	5,413,311	5,724,944
	Total trading assets	20,544,726	18,353,461
	Derivative financial instruments with negative fair value	2,327,777	2,600,997
	Total trading liabilities	2,327,777	2,600,997
9	Tax		
	The Group's effective tax rate for the period 1 January – 30 June 2014 was 29.6% compared to 34.4% for the period 1 January – 30 June 2013. This decrease in the effective tax rate is primarily due to decrease in non-deductible expenses. In first half of 2013 the effective tax rate is impacted by non-deductible expenses due to the divestment of the Group's shares in Euroinvestor.com A/S.		

NOTES – SAXO BANK GROUP

Note (DKK 1,000)

10 Fair value information for financial instruments

	Quoted market price - Level 1	Observable input - Level 2	Non- observable input - Level 3	Total fair value	Total carrying amount
30 June 2014					
Financial assets					
Trading portfolio bonds	15,126,907	-	1,131	15,128,038	15,128,038
Trading portfolio equities	469	-	2,908	3,377	3,377
Derivative financial instruments with positive value	1,490,231	3,542,481	380,599	5,413,311	5,413,311
Loans and advances at amortised cost	-	-	1,749,482	1,749,482	1,781,897
Investment securities	-	-	65,627	65,627	65,627
Financial liabilities					
Derivative financial instruments with negative value	1,498,230	829,547	-	2,327,777	2,327,777
Subordinated debt	-	-	705,696	705,696	737,084
31 December 2013					
Financial assets					
Trading portfolio bonds	12,622,200	-	2,200	12,624,400	12,624,400
Trading portfolio equities	797	-	3,320	4,117	4,117
Derivative financial instruments with positive value	1,305,248	4,045,278	374,418	5,724,944	5,724,944
Loans and advances at amortised cost	-	-	1,921,949	1,921,949	1,956,220
Investment securities	-	-	60,576	60,576	60,576
Financial liabilities					
Derivative financial instruments with negative value	930,473	1,670,524	-	2,600,997	2,600,997
Subordinated debt	-	-	769,021	769,021	807,893

Financial instruments measured at fair value

Fair values of financial assets and liabilities that are traded in active markets are based on quoted market prices. Listed bonds, listed equities, futures, ETO's and CFD single equities are measured based on quoted prices (level 1).

If quoted prices for financial instruments fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established using interbank quoted prices or valuation techniques. Interbank quoted prices are generally provided by several other financial institutions. The Group applies valuation techniques for FX instruments. Valuation techniques used are different option pricing models. In most cases the valuation is substantially based on observable input, such as interbank quoted prices and implied volatility (level 2).

The Group has open CFD contracts with clients where credit adjustments are included in the fair value measurement. Investment securities are primarily measured based on third party pricing information (level 3).

The Group has an ongoing process of assessing the best valuation technique and changes in the valuation process are implemented when relevant. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

NOTES – SAXO BANK GROUP

Note (DKK 1,000)

10 Fair value information for financial instruments - continued

Financial instruments measured at amortised cost

For the Groups financial assets and financial liabilities measured at amortised cost, the fair value estimated is based on changes in market conditions after initial recognition affecting the price that would have been fixed had the terms been agreed at the reporting date.

Fair value of loans and advances is primarily estimated on expected future payments, the basis of difference between the current market interest rate level and the loans as well as the difference between the expected and incurred loss on the loans.

For subordinated loans an estimate of the current return required by the market is applied to measure the fair value.

Transfers between levels of the fair value hierarchy are recognised as of the end of the reporting period during which the change has occurred.

Financial instruments measured at fair value categorised into level 3	30 June 2014	31 Dec. 2013
Fair value at 1 January	440,514	92,782
Additions	3,403	17,770
Additions transferred from level 1	-	624,418
Disposals	(345)	(37,067)
Gains and losses recognised in income statement:		
Fair value adjustments realised	(9)	(3,234)
Fair value adjustments unrealised	6,702	(254,155)
Fair value end of period	450,265	440,514

The fair value adjustments through income statement are recognised in Price and exchange rate adjustments. Of transfer into level 3 in 2013 DKK 624 million are fair value of open CFD contracts with clients with insufficient collateral. The CFD contracts with clients with insufficient collateral are subject to fair value adjustment. No transfers have been made in 2014.

At 30 June 2014, financial assets valued on the basis of non-observable input comprise:

- Open CFD contracts with clients with insufficient collateral after credit adjustment DKK 381 million (31 December 2013: DKK 374 million). The credit adjustment DKK 254 million (31 December 2013: DKK 250 million) is based on the placed collateral and an estimate of the clients creditworthiness. The clients are per agreements obliged to provide further collateral and have done that regularly both in 2013 and 2014 in order to reach the full sufficient collateral within a reasonable timeframe.
- Investment securities etc. DKK 70 million (31 December 2013: DKK 66 million).

The unobservable credit risk adjustment of the value of open CFD contracts is DKK 254 million (31 December 2013: DKK 250 million). Fair value of the credit risk adjustment may change with DKK -75/+254 million if the clients creditworthiness is worse or better than estimated (31 December 2013: DKK -60/+250 million).

A 20% increase or decrease in the fair value of investment securities etc. measured based on non-observable input would result in a profit or loss of DKK 13.9 million (31 December 2013: DKK 13.2 million).

NOTES – SAXO BANK GROUP

Note (DKK 1,000)

12 Subordinated debt - continued

Subordinated debt consists of liabilities in the form of subordinated loan capital, guarantor capital and hybrid capital. In case of the Group's voluntary or compulsory winding-up the subordinated loans will not be repaid until the claims of ordinary creditors have been met. The ranking in coverage is that guaranteed capital ranks below hybrid capital and hybrid capital ranks below subordinated loan capital. Early redemption of subordinated debt is subject to the approval of the Danish Financial Supervisory Authority.

Hybrid capital is redeemable between 24 November 2012 and 23 November 2014 at a price of 100, and from 24 November 2014 to 23 November 2015 at a price of 105 plus 5% if interests are waived in the period from issuing until redemption. The hybrid capital may be redeemed at a price of 110 after 24 November 2015.

Guarantor capital can only be redeemed by the guarantors if child saving accounts or pension accounts reach the end of their retention period or similar event before the maturity of guarantor capital in 2015.

13 Acquisition and divestment of businesses

Acquisitions

No acquisitions have been made in the first half of 2014 or first half of 2013.

Divestments

No divestments have been completed in the first half of 2014.

The Group has completed the following divestments in the first half of 2013:

Company	Country	Excluded from income statement	Ownership/ interest divested	Gain/(loss) recognised in income statement due to loss of control
Capital Four Management Fondsmæglerselskab A/S	Denmark	April 2013	100% / 53%	-
Euroinvestor.com A/S	Denmark	June 2013	72% / 72%	(51,810)

Gains/(losses) recognised due to the investments are recognised in the income statement as Other income/(Other expenses).

14 Related parties

The nature of related-party transactions in the first half of 2014 are as disclosed in the Annual Report 2013.

All transactions and agreements with related parties are settled on an arms-length basis.

15 Assets deposited as collateral

Of the Group's bond holdings nominal EUR 527 million (31 December 2013: EUR 514 million), with a fair value of DKK 3.9 billion (31 December 2013: DKK 3.8 billion), are held in custody with institutions with full right of disposal for the Group. The bonds serve as security for the Group's ongoing financial business with the individual institution. The actual demand for collateral varies from day to day with the development in the open positions and were in total 99% (31 December 2013: 99%) of the fair value of the bond holdings provided as security at 30 June 2014.

Of the Group's deposits with investment brokers, banks and other credit institutions DKK 520 million (31 December 2013: DKK 600 million) have been provided as security for the Group's ongoing financial business.

The Group has deposited bonds nominal DKK 48 million (31 December 2013: DKK 48 million) with a fair value of DKK 48.8 million (31 December 2013: DKK 49.2 million) as security for an interest swap.

Debt to credit institutions is secured by mortgage deed of DKK 477 million (31 December 2013: DKK 477 million) on the Group's domicile property.

NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	30 June 2014	31 Dec. 2013
16	Contingent and other contractual commitments		
	Guarantees		
	Financial guarantees	109,061	103,709
	Mortgage finance guarantees	127,768	124,475
	Registration and remortgaging guarantees	11,826	7,502
	Other guarantees	202,603	181,846
	Total guarantees	451,258	417,532
	Loan commitments etc.		
	Other unutilised credit facilities	967,595	935,314
	Total loan commitments etc.	967,595	935,314
	Other contractual commitments		
	Other commitments incl. operating leases	326,334	382,915
	Total other contractual commitments	326,334	382,915

Due to the business volume of the Group, disputes with clients etc. occur from time to time. The Group does not consider the outcome of the cases pending to have any material effect on the Group's financial position.

Saxo Bank A/S has issued a letter of undertaking to the Monetary Authorities in Singapore concerning Saxo Capital Markets Pte. Ltd. and to the Monetary Authorities in Hong Kong concerning Saxo Capital Markets HK Ltd.

The Group is the lessee in a number of operating leases, involving mainly leasing of office premises, car leasing and other. Note 38 in the Group's Annual Report 2013 provides more information about the future operating lease payments.

17 Events after the reporting date

No events occurring after the reporting date have had significant impact on the financial position of the Group.

NOTES – SAXO BANK GROUP

Note	(DKK 1,000)	First half 2014	First half 2013
18	Key figures and ratios		
	Key figures		
	Net interest, fees and commissions	517,186	467,713
	Price and exchange rate adjustments	830,053	1,281,000
	Staff costs and administrative expenses	(1,014,490)	(1,121,944)
	Impairment charges for receivables, loans, advances etc.	18,377	(6,874)
	Income from associates and joint ventures	(1,724)	8,981
	Net profit	156,446	266,686
	Loans and advances at amortised cost	1,781,897	1,889,481
	Subordinated debt	737,084	874,366
	Total equity	3,650,817	3,633,826
	Total assets	29,831,961	27,915,360
	Average number of employees	1,440	1,354
	Ratios		
	Total capital ratio	15.4%	16.2%
	Tier 1 capital ratio	13.8%	13.1%
	Return on equity before tax	6.2%	11.6%
	Return on equity after tax	4.4%	7.6%
	Cost/income ratio	1.18	1.29
	Interest rate risk	1.1%	0.4%
	Foreign exchange rate risk/Tier 1 capital	26.8%	71.9%
	Value at risk of foreign exchange rate risk/Tier 1 capital	0.2%	2.3%
	Loans and advances plus impairment charges/Deposits	9.4%	12.1%
	Loans and advances proportional to total equity	0.49	0.52
	Growth in loans and advances	(8.9%)	7.3%
	Additional liquidity/liquidity requirement	347.4%	273.7%
	Sum of large exposures/Total Capital	-	-
	Loss and provisions ratio (loans and advances)	(0.8%)	0.3%
	Return on capital employed (net profit proportional to total assets)	0.5%	1.0%

See definitions in Saxo Bank's Annual Report 2013 page 112.

INCOME STATEMENT – SAXO BANK A/S

Note	(DKK 1,000)	First half 2014	First half 2013
2	Interest income	460,417	400,277
3	Interest expense	(55,017)	(52,355)
	Net interest income	405,400	347,922
	Fee and commission income	479,378	505,145
	Fee and commission expense	(824,745)	(947,853)
	Net interest, fees and commissions	60,033	(94,786)
4	Price and exchange rate adjustments	806,518	1,274,869
	Operating income	866,551	1,180,083
	Other income	63,751	25,896
	Staff costs and administrative expenses	(707,955)	(777,671)
	Depreciation, amortisation and impairment of intangible and tangible assets	(181,627)	(174,902)
	Other expenses	(4,263)	(67,341)
5	Impairment charges for receivables, loans, advances etc.	24,320	(1,560)
	Income from associates, subsidiaries and joint ventures	129,538	155,874
	Profit before tax	190,315	340,379
6	Tax	(28,565)	(86,057)
	Net profit	161,750	254,322
	Net profit attributable to:		
	Equity method reserve	(93,025)	129,297
	Retained earnings	254,775	125,025
	Net profit	161,750	254,322

STATEMENT OF COMPREHENSIVE INCOME – SAXO BANK A/S

(DKK 1,000)	First half 2014	First half 2013
Net profit	161,750	254,322
Other comprehensive income		
Items that may be reclassified subsequently to income statement:		
Exchange rate adjustments	27,572	(48,030)
Hedge of net investments in foreign entities	(22,140)	32,127
Other comprehensive income from subsidiaries, net of tax	(12,572)	16,327
Other comprehensive income from associates, net of tax	256	212
Tax on other comprehensive income	5,425	(8,032)
Items that may be reclassified subsequently to income statement	(1,459)	(7,396)
Total other comprehensive income, net of tax	(1,459)	(7,396)
Total comprehensive income	160,291	246,926

STATEMENT OF FINANCIAL POSITION – SAXO BANK A/S

Note	(DKK 1,000)	30 June 2014	31 Dec. 2013
ASSETS			
	Cash in hand and demand deposits with central banks	143,391	209,766
5	Receivables from credit institutions and central banks	1,106,098	1,012,680
5	Loans and advances at amortised cost	69,857	351,926
	Bonds at fair value	12,594,891	10,158,698
	Equities	3,684	3,937
	Investments in associates and joint ventures	319,750	325,227
	Investments in subsidiaries	1,854,099	1,865,764
	Intangible assets	1,930,609	1,931,115
	Tangible assets	91,477	114,631
	Tax receivables	133,403	128,552
	Deferred tax assets	289	195
	Other assets	5,505,514	5,850,629
	Prepayments	72,653	51,256
Total assets		23,825,715	22,004,376

STATEMENT OF FINANCIAL POSITION – SAXO BANK A/S

Note	(DKK 1,000)	30 June 2014	31 Dec. 2013
LIABILITIES			
	Debt to credit institutions and central banks	3,589,055	3,198,420
	Deposits	13,221,952	11,678,544
	Tax liabilities	12,177	11,174
	Other liabilities	2,798,925	2,978,904
	Total debt	19,622,109	17,867,042
	Deferred tax liabilities	197,512	214,121
	Other provisions	49,275	54,901
	Total provisions	246,787	269,022
7	Subordinated debt	335,502	410,300
EQUITY			
	Share capital	66,599	66,599
	Equity method reserve	90,811	185,160
	Retained earnings	3,463,907	3,206,253
	Total equity	3,621,317	3,458,012
	Total equity and liabilities	23,825,715	22,004,376

STATEMENT OF CHANGES IN EQUITY – SAXO BANK A/S

(DKK 1,000)	Share capital	Equity method reserve	Retained earnings	Total
Equity at 1 January 2014	66,599	185,160	3,206,253	3,458,012
Net profit	-	(93,025)	254,775	161,750
Other comprehensive income				
Exchange rate adjustments	-	27,572	-	27,572
Hedge of net investments in foreign entities	-	(22,140)	-	(22,140)
Other comprehensive income from subsidiaries, net of tax	-	(12,572)	-	(12,572)
Other comprehensive income from associates, net of tax	-	256	-	256
Tax on other comprehensive income	-	5,425	-	5,425
Total other comprehensive income	-	(1,459)	-	(1,459)
Total comprehensive income	-	(94,484)	254,775	160,291
Transactions with owners				
Share-based payments	-	135	2,879	3,014
Equity at 30 June 2014	66,599	90,811	3,463,907	3,621,317
Equity at 1 January 2013	66,598	85,239	3,182,450	3,334,287
Net profit	-	129,297	125,025	254,322
Other comprehensive income				
Exchange rate adjustments	-	(48,030)	-	(48,030)
Hedge of net investments in foreign entities	-	32,127	-	32,127
Other comprehensive income from subsidiaries, net of tax	-	16,327	-	16,327
Other comprehensive income from associates, net of tax	-	212	-	212
Tax on other comprehensive income	-	(8,032)	-	(8,032)
Total other comprehensive income	-	(7,396)	-	(7,396)
Total comprehensive income	-	121,901	125,025	246,926
Transactions with owners				
Share-based payments	-	-	300	300
Increase in share capital	1	-	87	88
Treasury shares	-	-	(8,099)	(8,099)
Equity at 30 June 2013	66,599	207,140	3,299,763	3,573,502

STATEMENT OF TOTAL CAPITAL – SAXO BANK A/S

(DKK 1,000)	30 June 2014	1 Jan. 2014	31 Dec. 2013
Tier 1 capital			
Total equity 1 January	3,458,012	3,458,012	3,334,287
Net profit	161,750	-	151,902
Total other comprehensive income	(1,459)	-	(19,550)
Change in common equity tier 1 capital (CET1 capital)	-	-	(8,627)
Intangible assets ¹⁾	(2,101,803)	(2,114,309)	(2,114,309)
Deferred tax liabilities, intangible assets	216,325	230,218	230,218
Deferred tax assets	-	-	(16,292)
Prudent valuation adjustments	(4,185)	(9,400)	-
Common equity tier 1 capital (net after deduction)	1,728,640	1,564,521	1,557,629
Investments in associates (50%) ²⁾	-	-	(61,969)
Total tier 1 capital	1,728,640	1,564,521	1,495,660
Tier 2 capital			
Subordinated loans, reduced value	223,207	256,500	354,350
Investments in associates (50%) ²⁾	-	-	(61,969)
Total tier 2 capital	223,207	256,500	292,381
Total capital	1,951,847	1,821,021	1,788,041
¹⁾ Including goodwill and other intangible assets recognised as investments in associates and joint ventures, DKK 171.2 million (31 December 2013: DKK 183.2 million).			
²⁾ Relate to investments in associates which are credit institutions, excluding goodwill.			
Risk-weighted assets			
Credit risk	4,301,655	4,350,529	3,779,771
Market risk	2,985,460	1,715,208	1,515,489
Operational risk	4,218,847	4,219,263	4,625,954
Total risk-weighted assets	11,505,962	10,285,000	9,921,214
Common equity tier 1 ratio	15.0%	15.2%	15.7%
Tier 1 capital ratio	15.0%	15.2%	15.1%
Total capital ratio	17.0%	17.7%	18.0%

The Fourth edition of the Capital Requirements Directive (CRD IV) and Capital Requirements Regulation (CRR) were approved by the EU Council of Ministers end of June 2013 and applicable from beginning of 2014. The Statement of Total Capital has been adjusted to the new regulation.

The impact beginning of January 2014 is based on assumptions made 31 December 2013 as the regulation was not effective until end of March 2014. The Saxo Bank Risk Report 2013 provides more detailed information about the impact of the new regulation and is available at www.saxoworld.com/investorrelations.

NOTES – SAXO BANK A/S

Note (DKK 1,000)

1 Accounting policies

The interim financial statements of Saxo Bank A/S for the first half of 2014 has been prepared in accordance with the Danish Financial Business Act and the Danish executive order on financial reports for credit institutions and investment companies, etc. dated 26 March 2014.

The interim report has not been subject to audit or review.

The accounting policies for recognition and measurement are unchanged compared to those applied in the Annual Report 2013.

Comparative figures for first half 2013

Certain minor changes have been made in the comparative figures for 2013 due to reclassification.

	First half 2014	First half 2013
2 Interest income		
Credit institutions and central banks	2,050	2,922
Loans and advances	31,358	26,258
Bonds	22,041	22,625
Derivative financial instruments	402,560	348,468
Other interest income	2,408	4
Total interest income	460,417	400,277
3 Interest expense		
Credit institutions and central banks	(14,361)	(11,463)
Deposits	(4,689)	(7,037)
Subordinated loans	(6,274)	(6,871)
Derivative financial instruments	(29,693)	(26,984)
Total interest expense	(55,017)	(52,355)
4 Price and exchange rate adjustments		
Bonds	(7,265)	(5,258)
Foreign exchange	588,956	1,024,383
Derivative financial instruments	224,827	255,744
Total price and exchange rate adjustments	806,518	1,274,869

NOTES – SAXO BANK A/S

Note (DKK 1,000)

9 Related parties

The nature of related-party transactions in the first half of 2014 are as disclosed in the Annual Report 2013.

All transactions and agreements with related parties are settled on an arms-length basis.

Branches and subsidiaries specified by country at a consolidated basis

Country	Entity	Activity	Income first half 2014 ¹⁾	Number of employees 30 June 2014 ²⁾
Australia:	Saxo Capital Markets Pty Ltd.	Online trading and investment services	50,319	12
Brazil:	Saxo Bank do Brasil Escritorio	Online trading and investment services	6,067	5
Czech Republic:	Saxo Bank A/S Prague	Sales and marketing, branch of Saxo Bank A/S	8,470	7
Cyprus:			24,955	50
	Saxo Bank A/S Cyprus branch	Sales and marketing, branch of Saxo Bank A/S		
	Saxo Capital Markets CY Limited	Online trading and investment services		
Dubai:	Saxo Bank Dubai Ltd.	Online trading and investment services	10,191	6
Denmark:			206,688	443
	Ejendomsselskabet Bygning 119 A/S	Own, rental and management of domicile property		
	Initto A/S	IT-development in India		
	Saxo Jet A/S	Dormant		
	Saxo Payments A/S	Payment services		
	Saxo Privatbank A/S	Retail banking and assets management		
	Saxo Treasury A/S	Investment company		
France:	Saxo Banque France SAS	Online trading and investment services	56,564	35
Hong Kong:	Saxo Capital Markets HK	Online trading and investment services	11,309	19
Italy:	Saxo Bank A/S Milan	Sales and marketing, branch of Saxo Bank A/S	5,539	6
Japan:	Saxo Bank FX Securities K.K	Online trading and investment services	11,516	10
Netherlands:			6,529	8
	Saxo Bank A/S Amsterdam	Sales and marketing, branch of Saxo Bank A/S		
	Saxo Capital Markets BV	Dormant		
Panama:	Saxo Bank (Panama) S.A.	Online trading and investment services	2,551	3
Poland:	Saxo Bank A/S Warsaw	Sales and marketing, branch of Saxo Bank A/S	4,915	5
Singapore:	Saxo Capital Markets Pte. Ltd.	Online trading and investment services	110,970	74
South Africa:	Saxo Capital Markets SA Ltd.	Online trading and investment services	9,343	11
Spain:	Saxo Bank A/S Spain	Sales and marketing, branch of Saxo Bank A/S	14,801	16
Switzerland:	Saxo Bank (Switzerland) AG	Online trading and investment services	157,018	60
Turkey:	Saxo Capital Markets Menkul Degerler Anonim Sirketi	Online trading and investment services	7,884	15
UK:			77,818	40
	Saxo Bank A/S London	Sales and marketing, branch of Saxo Bank A/S		
	Saxo Capital Markets UK Ltd.	Online trading and investment services		
	SBSF Ltd.	Financial spread trading service		
Uruguay:	Saxo Capital Markets Agente de Valores S.A.	Online trading and investment services	5,312	11

¹⁾ The sum of Interest income, Fees and commission income and Other income according to local reporting first half 2014.

²⁾ Number of employees converted into full-time equivalents.

NOTES – SAXO BANK A/S

Note (DKK 1,000)

10 Assets deposited as collateral

Of the Bank's bond holdings nominal EUR 527 million (31 December 2013: EUR 514 million), with a fair value of DKK 3.9 billion (31 December 2013: DKK 3.8 billion), are held in custody with institutions with full right of disposal for the Bank. The bonds serve as security for the Bank's ongoing financial business with the individual institution. The actual demand for collateral varies from day to day with the development in the open positions and were in total 99% (31 December 2013: 99%) of the fair value of the bond holdings provided as security at 30 June 2014.

Of the Bank's deposits with investment brokers, banks and other credit institutions DKK 520 million (31 December 2013: DKK 600 million) have likewise been provided as security for the Bank's ongoing financial business.

The Bank has deposited bonds nominal DKK 48 million (31 December 2013: DKK 48 million) with a fair value of DKK 48.8 million (31 December 2013: DKK 49.2 million) as security for an interest swap on behalf of Ejendomsselskabet Bygning 119 A/S.

	30 June 2014	31 Dec. 2013
11 Contingent and other contractual commitments		
Guarantees		
Financial guarantees	19,813	19,764
Other guarantees	50,867	52,218
Total guarantees	70,680	71,982
Other contractual commitments		
Rent commitments towards subsidiaries	563,888	574,873
Other commitments incl. operating leases	235,525	286,895
Total other contractual commitments	799,413	861,768

Saxo Bank A/S has issued a letter of undertaking to the Monetary Authorities in Singapore concerning Saxo Capital Markets Pte. Ltd. and to the Monetary Authorities in Hong Kong concerning Saxo Capital Markets HK Ltd.

Saxo Bank A/S has agreed to support Saxo Jet A/S with the liquidity necessary to support the approved budgets and plans up to and including 31 December 2014. Saxo Bank A/S has 5 March 2014 supported Saxo Privatbank A/S with a capital increase of DKK 50 million.

Due to the business volume of the Bank, disputes with clients etc. occur from time to time. The Bank does not consider the outcome of the cases pending to have any material effect on the Bank's financial position

Saxo Bank A/S is registered jointly with all Danish companies in the Group for corporation tax, withholding tax etc., for which it is jointly and severally liable.

12 Events after the reporting date

No other events occurring after the reporting date have had significant impact on the financial position of Saxo Bank A/S.

NOTES – SAXO BANK A/S

Note	(DKK 1,000)	First half 2014	First half 2013
13	Key figures and ratios		
	Key figures		
	Net interest, fees and commissions	60,033	(94,786)
	Price and exchange rate adjustments	806,518	1,274,869
	Staff costs and administrative expenses	(707,955)	(777,671)
	Impairment charges for receivables, loans, advances etc.	24,320	(1,560)
	Income from associates, subsidiaries and joint ventures	129,538	155,874
	Net profit	161,750	254,322
	Loans and advances at amortised cost	69,857	541,618
	Subordinated debt	335,502	410,234
	Total equity	3,621,317	3,573,502
	Total assets	23,825,715	22,075,174
	Average number of employees	690	661
	Ratios		
	Total capital ratio	17.0%	17.2%
	Tier 1 capital ratio	15.0%	14.4%
	Return on equity before tax	5.4%	9.9%
	Return on equity after tax	4.6%	7.4%
	Cost/income ratio	1.22	1.33
	Interest rate risk	2.4%	2.0%
	Foreign exchange rate risk/Tier 1 capital	25.8%	75.0%
	Value at risk of foreign exchange rate risk/Tier 1 capital	0.2%	2.5%
	Loans and advances plus impairment charges/Deposits	0.6%	5.6%
	Loans and advances proportional to total equity	0.02	0.15
	Growth in loans and advances	(80.2%)	10.6%
	Additional liquidity/liquidity requirement	286.6%	226.7%
	Sum of large exposures/Total Capital	-	-
	Loss and provisions ratio (loans and advances)	(16.6%)	0.2%
	Return on capital employed (net profit proportional to total assets)	0.7%	1.2%

See definitions in Saxo Bank's Annual Report 2013 page 112.

STATEMENT BY THE MANAGEMENT

The Board of Directors and Board of Management have considered and approved the interim report first half 2014 of Saxo Bank Group and the Parent Company.

The consolidated interim financial statements for the first half of 2014 have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and the Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of financial institutions.

In our opinion, the interim financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 30 June 2014 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the period 1 January - 30 June 2014.

Moreover, in our opinion, the Management's Report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

Copenhagen, 21 August 2014

BOARD OF MANAGEMENT

Lars Seier Christensen
Co-CEO and Co-founder

Kim Fournais
Co-CEO and Co-founder

Steen Blaaufalk
Group Chief Financial and Risk Officer

BOARD OF DIRECTORS

Asiff S. Hirji
Chairman of the Board

Lone Fønss Schrøder
Vice Chairman of the Board

Jacob Polny

Thomas Plenborg

Sarah McPhee

COMPANY INFORMATION

Company

Saxo Bank A/S
Philip Heymans Allé 15
2900 Hellerup
Denmark
Phone: +45 3977 4000
Fax: +45 3977 4200
Reg. No.: 1149
CVR No.: 15 73 12 49
Website: www.saxoworld.com

Board of Directors

Asiff S. Hirji	Chairman of the Board
Lone Fønss Schrøder	Vice Chairman of the Board
Jacob Polny	Member of the Board
Sarah McPhee	Member of the Board
Thomas Plenborg	Member of the Board
Karl I. Peterson	Alternate Board Member

Board of Management

Lars Seier Christensen	Co-CEO and Co-founder
Kim Fournais	Co-CEO and Co-founder
Steen Blaaufalk	Group Chief Financial and Risk Officer

Shareholders

The following shareholders (in alphabetic order) have registered shareholdings of more than 5% of the Bank's share capital:

Fournais Holding A/S, DK-2850 Nærum, Denmark.
Lars Seier Christensen Holding A/S, DK-1256 Copenhagen, Denmark.
TPG Merl Sarl, L-2453, Luxembourg.