

## **Interim Report January–June 2006**

### **Nordea Bank Danmark Group**

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*Nordea is the leading financial services group in the Nordic and Baltic Sea region. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has almost 11 million customers, more than 1,100 branch offices and a leading netbanking position with 4.4 million e-customers. The Nordea share is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.*

# Nordea Bank Danmark Group

## Result summary January-June 2006

NBD group's operating profit decreased by 1% compared to the same period in 2005 and reached DKK 2,648m (DKK 2,684m) (the comparative figures in brackets refer to the first six months of 2005). Net profit decreased by 3% to DKK 1,916m (DKK 1,983m).

Total income increased by 2% to DKK 6,129m (DKK 6,006m) reflecting higher net interest income and higher net fee and commission income. Expenses increased by 5% to DKK 3,621m (DKK 3,435m) and loan losses remained positive and increased to DKK 140m (DKK 113m).

### Income

Total income increased by 2% to DKK 6,129m due to increased business volumes compensating for the continued pressure on margins still present in certain areas. Total lending to the public increased by 7% to DKK 429bn (DKK 399bn) and thereby compensated for the margin pressure. Deposits increased by 13% to DKK 253bn (DKK 224bn) and deposit margins improved following the increase in market interest rates.

Net interest income increased in both Retail Banking and in Corporate and Institutional Banking. Net interest income in Group Treasury was at the same level as in the first half of 2005.

Net commission income increased by 5% to DKK 1,539m. The increase is attributable to savings related commissions especially asset management commissions and commissions from brokerage. Lending related commissions decreased by 9% to DKK 468m, among other things, due to a decline in mortgage refinancing, where activities fell compared to the high level in the first half of 2005.

Net gains/losses on items at fair value decreased by DKK 272m to DKK 289m (DKK 561m). The decline is attributable to lower income from Markets activities and a reduction in the bank's result from the investment portfolio. Markets activities comprise trading income from fixed income and equities products. However, the bank's income from Markets activities in the first half of 2006 was negatively affected by positions in equities and bonds.

Profit from companies accounted for under the equity method rose by 11% to DKK 138m (DKK 124m). The increase is related to the portfolio of PBS companies, LR Realkredit and private equity investments.

Other income decreased by 2% to DKK 348m (DKK 353m) primarily as a result of a decline in income from intragroup services. The first half of 2006 includes proceeds concerning the sale of stock register and general meeting services to VP Securities Services.

### Expenses

Total operating expenses increased by 5% to DKK 3,621m (DKK 3,435m) mainly due to increased staff cost.

Staff costs increased by 6% to DKK 2,295m. General wage inflation and higher variable salaries including profit sharing are the main explanations for this increase. The number of FTEs remained stable. However, within the Group, there is a shift in the structure of FTEs, with an increasing number of advisory and sales related employees in business areas and a falling number of FTEs in processing and staff units.

Other expenses were DKK 1,261m, up by 4% compared to last year. Higher business volumes have resulted in an increase in transaction and sales related expenses.

The cost/income ratio increased to 59% compared to 57% in the first half of 2005. For the full year 2005, the cost/income ratio was 58%.

### Loan losses

Loan losses were positive at DKK 140m following a continued flow of recoveries and low new provisions. Overall credit quality remains strong in all markets.

### Taxes

The effective tax rate for the first half of 2006 was approximately 28%. In the first half of 2005, the effective tax rate was approximately 26%. The lower effective tax rate in the first half of 2005 is primarily attributable to the conversion of deferred tax from 30% to 28%.

*Throughout this report, "Nordea Bank Danmark" and "NBD" refer to the parent company Nordea Bank Danmark A/S, business identity code 13522197, with its subsidiaries. The registered office of the company is in Copenhagen. Nordea Bank Danmark A/S is a wholly owned subsidiary of Nordea Bank AB (publ), the listed parent company of the whole Nordea Group. The business operations of the Nordea Group have been organised in three business areas, all of which operate across national boundaries: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The consolidated interim report of Nordea Bank AB (publ) embraces all the activities of the Nordea Group and provides the most complete and fair view. This statutory interim report covers the operations of the legal entity Nordea Bank Danmark A/S with its subsidiaries.*

### ***Net profit***

Net profit decreased by 3% to DKK 1,916m corresponding to a return on equity of 16.2% compared to 17.5% in the first half of last year.

### **Balance sheet**

Total assets decreased by 42bn to DKK 722bn (DKK 764bn) (the comparative figures in brackets refer to December 2005 figures). The decline is mainly related to loans and receivables to credit institutions and other assets. Loans and receivables to the public increased by DKK 9bn in the first half of 2006. The growth in loans and receivables is attributable to household lending. In the same period deposits and borrowings from the public increased by DKK 11bn.

### **Credit portfolio**

At the end of the first half of 2006 net impaired loans and receivables amounted to DKK 838m (end-2005 DKK 617m), which is 0.20% of total lending at 30 June 2006. The share of household lending was 25%.

### **Capital adequacy**

Risk-weighted assets increased by 6% during the first half of 2006 to DKK 348bn reflecting the continued growth in business volumes. The tier 1 capital ratio was 7.1% including the result for the first half-year. The total capital ratio was 10.0%.

### **Outlook 2006**

Nordea's growth strategy is paying off and progress is increasingly visible in key growth areas. The number of core customers has increased and Nordea will continue the successful execution of its organic growth strategy.

Despite rising interest rates and a somewhat uncertain outlook for equity markets, Nordea Bank Danmark expects to contribute in reaching the Nordea group's ambition of at least 5 percentage points gap between revenue and cost growth for the full year 2006. This is based on the still stable macroeconomic forecasts, current business activity among Nordea's customers as well as Nordea's ability to execute on its growth strategy. A moderate cost increase is expected for the full year 2006.

## Key financial figures

### Income statement

	Group			Parent		
	Jan-Jun 2006	Jan-Jun 2005	Change %	Jan-Jun 2006	Jan-Jun 2005	Change %
DKK m						
Net interest income	3,816	3,504	9	2,994	2,731	10
Net fee and commission income	1,539	1,463	5	1,683	1,551	8
Net gains/losses on items at fair value	289	561	-49	295	636	-54
Equity method	138	124	11	-	-	-
Other income	348	353	-2	601	648	-7
<b>Total operating income</b>	<b>6,129</b>	<b>6,006</b>	<b>2</b>	<b>5,572</b>	<b>5,566</b>	<b>0</b>
General administrative expenses:						
Staff costs	-2,295	-2,163	6	-2,204	-2,077	6
Other expenses	-1,261	-1,216	4	-1,181	-1,154	2
Depreciation of tangible and intangible assets	-66	-56	17	-53	-41	30
<b>Total operating expenses</b>	<b>-3,621</b>	<b>-3,435</b>	<b>5</b>	<b>-3,438</b>	<b>-3,272</b>	<b>5</b>
Loan losses	140	113		156	132	
<b>Operating profit</b>	<b>2,648</b>	<b>2,684</b>	<b>-1</b>	<b>2,290</b>	<b>2,426</b>	<b>-6</b>
Income tax expense	-732	-701	4	-590	-675	-13
<b>Net profit</b>	<b>1,916</b>	<b>1,983</b>	<b>-3</b>	<b>1,700</b>	<b>1,751</b>	<b>-3</b>

### Balance sheet

	Group		Parent	
	30 Jun 2006	30 Jun 2005	30 Jun 2006	30 Jun 2005
DKK bn				
Treasury bills and other interest-bearing securities	127.5	130.6	163.1	156.3
Loans and receivables to credit institutions	119.4	134.9	122.6	141.4
Loans and receivables to the public	428.7	399.1	230.7	222.6
Derivatives	2.1	4.5	2.1	4.5
Other assets	44.3	48.5	51.7	54.3
<b>Total assets</b>	<b>721.9</b>	<b>717.7</b>	<b>570.2</b>	<b>579.0</b>
Deposits by credit institutions	191.5	219.9	210.4	254.8
Deposits and borrowings from the public	253.2	223.8	255.1	224.2
Debt securities in issue	165.3	166.9	-	0.3
Derivatives	3.0	5.6	3.0	5.5
Subordinated liabilities	10.4	10.0	10.4	10.0
Other liabilities	74.7	69.9	71.9	67.0
Equity	23.7	21.6	19.3	17.1
<b>Total liabilities and equity</b>	<b>721.9</b>	<b>717.7</b>	<b>570.2</b>	<b>579.0</b>

### Ratios and key figures

	Group		Parent	
	Jan-Jun 2006	Jan-Jun 2005	Jan-Jun 2006	Jan-Jun 2005
Return on equity, %	16.2	17.5	17.6	19.2
Cost/income ratio, %	59	57	62	59
Tier 1 capital ratio <sup>1</sup> , %	7.1	6.9	7.3	7.5
Total capital ratio <sup>1</sup> , %	10.0	9.9	10.5	10.8
Risk-weighted assets <sup>2</sup> , DKK bn	348	313	318	289
Number of employees (full-time equivalents) <sup>2</sup>	7,291	7,286	6,988	6,961

<sup>1</sup> Incl. Year to date profit

<sup>2</sup> End of period

## Half-year development

	Group		Parent	
	Jan-Jun 2006	Jan-Jun 2005	Jan-Jun 2006	Jan-Jun 2005
<b>Net fee and commission income, DKKm</b>				
Asset Management commissions	155	104	148	119
Life insurance	45	36	45	36
Brokerage	483	418	445	411
Custody	32	45	32	45
Deposits	19	22	19	22
Total savings related commissions	733	626	688	633
Payments	226	238	226	238
Cards	105	95	100	90
Total payment commissions	331	333	327	328
Lending	364	376	297	267
Guarantees and document payments	104	138	349	308
Total lending related commissions	468	514	646	574
Other commission income	209	231	154	175
<b>Fee and commission income</b>	<b>1,741</b>	<b>1,703</b>	<b>1,815</b>	<b>1,710</b>
Life insurance	-	-	-	-
Payment expenses	-36	-29	-33	-53
Other commission expenses	-166	-211	-99	-106
<b>Fee and commission expenses</b>	<b>-202</b>	<b>-240</b>	<b>-133</b>	<b>-159</b>
<b>Net fee and commission income</b>	<b>1,539</b>	<b>1,463</b>	<b>1,683</b>	<b>1,551</b>

	Group		Parent	
	Jan-Jun 2006	Jan-Jun 2005	Jan-Jun 2006	Jan-Jun 2005
<b>General administrative expenses, DKKm</b>				
Staff	-2,227	-2,124	-2,139	-2,041
Profit sharing	-68	-39	-65	-36
Information technology	-405	-409	-371	-392
Marketing	-52	-46	-44	-40
Postage, telephone and office expenses	-166	-148	-161	-143
Rents, premises and real estate expenses	-344	-374	-334	-363
Other	-295	-239	-271	-216
<b>Total</b>	<b>-3,556</b>	<b>-3,379</b>	<b>-3,385</b>	<b>-3,231</b>

# Income statement

DKKm	Note	Group			Parent		
		Jan-Jun 2006	Jan-Jun 2005	Change %	Jan-Jun 2006	Jan-Jun 2005	Change %
<b>Operating income</b>							
<i>Interest income</i>		11,210	10,577	6	7,218	6,340	14
<i>Interest expense</i>		-7,394	-7,074	5	-4,224	-3,610	17
Net interest income		3,816	3,504	9	2,994	2,731	10
<i>Fee and commission income</i>		1,741	1,703	2	1,815	1,710	6
<i>Fee and commission expense</i>		-202	-240	-16	-133	-159	-17
Net fee and commission income		1,539	1,463	5	1,683	1,551	8
Net gains/losses on items at fair value	2	289	561	-49	295	636	-54
Profit from companies accounted for under the equity method		138	124	11	-	-	-
Dividends		8	5	52	299	342	-13
Other operating income		340	348	-2	302	306	-1
<b>Total operating income</b>		<b>6,129</b>	<b>6,006</b>	<b>2</b>	<b>5,572</b>	<b>5,566</b>	<b>0</b>
<b>Operating expenses</b>							
General administrative expenses:							
Staff costs		-2,295	-2,163	6	-2,204	-2,077	6
Other expenses		-1,261	-1,216	4	-1,181	-1,154	2
Depreciation, amortisation and impairment charges of tangible and intangible assets		-66	-56	17	-53	-41	30
<b>Total operating expenses</b>		<b>-3,621</b>	<b>-3,435</b>	<b>5</b>	<b>-3,438</b>	<b>-3,272</b>	<b>5</b>
Loan losses	3	140	113	24	156	132	18
<b>Operating profit</b>		<b>2,648</b>	<b>2,684</b>	<b>-1</b>	<b>2,290</b>	<b>2,426</b>	<b>-6</b>
Income tax expense		-732	-701	4	-590	-675	-13
<b>Net profit</b>		<b>1,916</b>	<b>1,983</b>	<b>-3</b>	<b>1,700</b>	<b>1,751</b>	<b>-3</b>
<b>Attributable to:</b>							
Shareholder of Nordea Bank Danmark A/S		1,916	1,983	-3	1,700	1,751	-3
Minority interest		-	-	-	-	-	-
		1,916	1,983	-3	1,700	1,751	-3

## Balance sheet

DKKm	Note	Group			Parent		
		30 Jun 2006	31 Dec 2005	30 Jun 2005	30 Jun 2006	31 Dec 2005	30 Jun 2005
<b>Assets</b>							
Cash and balances with central banks		5,044	3,686	2,815	5,044	3,686	2,815
Loans and receivables to credit institutions	4	119,351	136,999	134,927	122,610	143,527	141,380
Loans and receivables to the public	4	428,677	419,376	399,120	230,650	228,573	222,566
Interest-bearing securities		127,451	130,222	130,646	163,092	151,615	156,285
Shares		16,860	15,939	15,778	16,855	15,933	15,773
Derivatives	6	2,133	2,229	4,473	2,133	2,229	4,473
Fair value changes of the hedged items in portfolio							
hedge of interest rate risk		479	545	747	479	545	747
Investments in associated undertakings		370	507	485	211	255	315
Investments in group undertakings		155	155	126	7,291	6,985	6,327
Intangible assets		119	93	59	92	72	45
Property and equipment		183	231	233	158	145	136
Investment property		488	490	572	26	25	26
Deferred tax assets		-	-	-	216	217	-
Current tax assets		39	363	-	39	363	-
Prepaid expenses and accrued income		2,761	2,754	1,590	3,210	2,724	2,334
Other assets		17,754	50,284	26,119	18,111	59,031	25,816
<b>Total assets</b>		<b>721,864</b>	<b>763,871</b>	<b>717,690</b>	<b>570,219</b>	<b>615,924</b>	<b>579,038</b>
<i>Of which assets customer bearing the risk</i>		<i>32,851</i>	<i>36,740</i>	<i>26,206</i>	<i>29,336</i>	<i>33,251</i>	<i>25,305</i>
<b>Liabilities</b>							
Deposits by credit institutions		191,525	207,947	219,945	210,449	211,528	254,797
Deposits and borrowings from the public		253,177	242,424	223,753	255,090	243,186	224,208
Debt securities in issue		165,286	190,112	166,883	-	353	344
Derivatives	6	3,016	2,443	5,592	3,016	2,446	5,537
Fair value changes of the hedged items in portfolio							
hedge of interest rate risk		-	-	278	-	-	278
Current tax liabilities		-	-	523	-	-	535
Other liabilities		70,292	82,141	63,172	70,191	127,619	62,479
Accrued expenses and prepaid income		3,448	4,139	4,986	1,487	1,042	2,819
Deferred tax liabilities		737	741	633	-	-	633
Provisions		203	214	193	194	213	187
Retirement benefit obligations		71	82	83	71	82	83
Subordinated liabilities		10,406	10,034	10,022	10,406	10,034	10,022
<b>Total liabilities</b>		<b>698,159</b>	<b>740,278</b>	<b>696,063</b>	<b>550,903</b>	<b>596,503</b>	<b>561,924</b>
<b>Equity</b>							
Minority interests		47	46	46	-	-	-
Share capital		5,000	5,000	5,000	5,000	5,000	5,000
Revaluation reserves		4	9	16	4	9	16
Retained earnings		18,654	18,539	16,566	14,313	14,412	12,098
<b>Total equity</b>		<b>23,705</b>	<b>23,594</b>	<b>21,628</b>	<b>19,317</b>	<b>19,421</b>	<b>17,114</b>
<b>Total liabilities and equity</b>		<b>721,864</b>	<b>763,871</b>	<b>717,690</b>	<b>570,219</b>	<b>615,924</b>	<b>579,038</b>
Assets pledged for own liabilities and commitments		82,727	120,233	156,877	101,266	122,355	156,877
Contingent liabilities		32,378	30,830	27,909	103,097	97,118	89,577
Commitments		109,459	131,469	132,703	109,459	131,469	132,703

## Movements in equity

Group	Attributable to shareholder of Nordea Bank Danmark A/S				Total	Minority interests	Total equity
	Share capital	Other reserves	Reva- luation reserves	Retained earnings			
DKK m							
Balance at end of year, at 31 Dec 2005	5,000	-	9	18,539	23,548	46	23,594
Net change in available-for-sale investments, net of tax	-	-	-5	-	-5	-	-5
Currency translation differences	-	-	-	0	0	0	0
Dividend for 2005	-	-	-	-1,800	-1,800	-	-1,800
Net profit for the period	-	-	-	1,916	1,916	-	1,916
Balance as at 30 Jun 2006	5,000	-	4	18,654	23,658	47	23,705

	Attributable to shareholder of Nordea Bank Danmark A/S				Total	Minority interests	Total equity
	Share capital	Other reserves	Reva- luation reserves	Retained earnings			
DKK m							
<b>Balance at end of year, at 31 Dec 2004</b>	<b>5,000</b>	<b>4,864</b>	-	<b>12,999</b>	<b>22,864</b>	<b>47</b>	<b>22,911</b>
Change in accounting policies:							
IAS 39 Loan loss provision	-	-	-	360	360	-	360
IAS 39 Other	-	-	-	-140	-140	-	-140
<b>Balance at beginning of year, at 1 Jan 2005</b>	<b>5,000</b>	<b>4,864</b>	-	<b>13,219</b>	<b>23,083</b>	<b>47</b>	<b>23,130</b>
Net change in available-for-sale investments, net of tax	-	-	16	-	16	-	16
Currency translation differences	-	-	-	0	0	0	0
Dividend for 2004	-	-	-	-3,500	-3,500	-	-3,500
Other changes	-	-4,864	-	4,864	-	-	-
Net profit for the period	-	-	-	1,983	1,983	-	1,983
<b>Balance as at 30 Jun 2005</b>	<b>5,000</b>	-	<b>16</b>	<b>16,566</b>	<b>21,582</b>	<b>46</b>	<b>21,628</b>



## Movements in equity

### Parent

DKK <sup>m</sup>	Attributable to shareholder of Nordea Bank Danmark A/S				Total equity
	Share capital	Other reserves	Reva- luation reserves	Retained earnings	
<b>Balance at end of year, at 31 Dec 2005</b>	<b>5,000</b>	-	<b>9</b>	<b>14,412</b>	<b>19,421</b>
Net change in available-for-sale investments, net of tax	-	-	-5	-	-5
Currency translation differences	-	-	-	-	-
Dividend for 2005	-	-	-	-1,800	-1,800
Net profit for the period	-	-	-	1,700	1,700
<b>Balance as at 30 Jun 2006</b>	<b>5,000</b>	-	<b>4</b>	<b>14,313</b>	<b>19,317</b>

DKK <sup>m</sup>	Attributable to shareholder of Nordea Bank Danmark A/S				Total equity
	Share capital	Other reserves	Reva- luation reserves	Retained earnings	
<b>Balance at end of year, at 31 Dec 2004</b>	<b>5,000</b>	<b>2,137</b>	-	<b>11,489</b>	<b>18,626</b>
Change in accounting policies:					
Transfer of subsidiary reserves	-	-603	-	603	-
IAS 39 Loan loss provision	-	-	-	360	360
IAS 39 Other	-	-	-	-140	-140
<b>Balance at beginning of year, at 1 Jan 2005</b>	<b>5,000</b>	<b>1,534</b>	-	<b>12,312</b>	<b>18,846</b>
Net change in available-for-sale investments, net of tax	-	-	16	-	16
Currency translation differences	-	-	-	0	0
Dividend for 2004	-	-	-	-3,500	-3,500
Other changes	-	-1,534	-	1,534	-
Net profit for the period	-	-	-	1,751	1,751
<b>Balance as at 30 Jun 2005</b>	<b>5,000</b>	-	<b>16</b>	<b>12,098</b>	<b>17,114</b>

### Reporting to the Danish Financial Supervisory Authority at 30 June 2006 (DKK<sup>m</sup>)

Equity	Group	Parent
Official IFRS Interim Report	23,705	19,317
Adjustments		
- Minority interests <sup>1</sup>	1,222	-
- Fair value adjustment of owner occupied property	20	20
- Difference between cost and net assets value in subsidiaries and associates	-	4,341
<b>Reported to the Danish FSA</b>	<b>24,947</b>	<b>23,678</b>

<sup>1</sup>Minority interest relate primarily to a special reserve in an associated undertaking.

Result	Group	Parent
Official IFRS Interim Report	1,916	1,700
Adjustments		
- Financial assets available for sale	-5	-5
- Difference between profit from companies accounted for under the equity method and dividends etc.	-	216
<b>Reported to the Danish FSA</b>	<b>1,911</b>	<b>1,911</b>

# Notes

## Note 1 Accounting policies

The interim report for Nordea Bank Danmark A/S and for the Group is prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU and additional Danish disclosure requirements for interim reports laid down in the Danish IFRS Executive Order on financial services enterprises issued pursuant to the Danish Financial Business Act. The interim report is presented in accordance with IAS 34 "Interim Financial reporting" with the exception that the interim report is presented without a cash flow statement and segment reporting, see the Danish IFRS Executive Order on financial services enterprises.

### Basis for presentation

The accounting policies and the basis for calculations are, in all material aspects, unchanged in comparison with the 2005 Annual Report.

### Changed presentation

Compared to the accounting policies applied in the 2005 Annual Report a few less significant changes

have been made to the presentation of the income statement and balance sheet.

The presentation of "Net fee and commission income" has been changed, to better illustrate the nature of Nordea Bank Danmark's commission income and expense.

Provisions for guarantees which have so far been presented under loans and receivables are now presented under provisions.

The comparative figures concerning the changed presentation have been restated.

### Opening balance 2005

At year-end 2005, adjustments were made to the opening balance 2005. The corresponding adjustments have been made to the comparative figures as of 30 June 2005, where the total effect on equity is DKK 92m for the Nordea Bank Danmark Group and DKK 249m for Nordea Bank Danmark A/S.

### Exchange rates

	Jan-Jun 2006	Jan-Dec 2005	Jan-Jun 2005
EUR 1 = SEK			
Income statement (average)	9.3247	9.2874	9.1487
Balance sheet (at end of period)	9.2110	9.3884	9.4640
EUR 1 = DKK			
Income statement (average)	7.4605	7.4518	7.4445
Balance sheet (at end of period)	7.4593	7.4599	7.4495
EUR 1 = NOK			
Income statement (average)	7.9258	8.0106	8.1391
Balance sheet (at end of period)	7.9432	7.9801	7.9145
EUR 1 = PLN			
Income statement (average)	3.8859	4.0248	4.0813
Balance sheet (at end of period)	4.0633	3.8524	4.0363

**Note 2 Net gains/losses on items at fair value**

	<b>Group</b>		<b>Parent</b>	
	Jan-Jun 2006	Jan-Jun 2005	Jan-Jun 2006	Jan-Jun 2005
DKKm				
Shares/participations and other share-related instruments	-467	224	-466	434
Interest-bearing securities and other interest-related instruments	654	550	656	388
Other financial instruments	14	-241	14	-220
Investment properties	-4	-8	-	-
Foreign exchange gains/losses	92	35	91	33
<b>Total</b>	<b>289</b>	<b>561</b>	<b>295</b>	<b>636</b>

**Note 3 Loan losses**

	<b>Group</b>		<b>Parent</b>	
	Jan-Jun 2006	Jan-Jun 2005	Jan-Jun 2006	Jan-Jun 2005
DKKm				
<b>Loan losses divided by category</b>				
Write-offs and provisions for loans and receivables	609	616	541	552
- Of which, to credit institutions	79	4	79	4
- Of which, to the public	530	612	462	548
Reversals and recoveries for loans and receivables to the public	-749	-729	-696	-684
<b>Total</b>	<b>-140</b>	<b>-113</b>	<b>-156</b>	<b>-132</b>
<b>Specifications</b>				
<i>Provisions for individually assessed loans</i>				
Realised loan losses during the period	205	388	182	358
Reversed amount of previous provisions made for realised losses during the period	-133	-311	-113	-284
This period's provisions for probable loan losses	456	535	392	473
Recoveries of previous periods' realised loan losses	-101	-129	-97	-123
Reversals of provisions for probable loan loss no longer required	-646	-584	-598	-544
This period's costs for individually assessed loans, net	-219	-102	-235	-121
<i>Provisions for groups of significant loans</i>				
Allocation to allowance	-	-	-	-
Withdrawal from allowance	-	-	-	-
This period's change of provisions for groups of significant loans	-	-	-	-
<i>Provisions for groups of not significant loans</i>				
Realised loan losses during the period	-	-	-	-
Recoveries of previous periods' realised loan losses	-	-	-	-
Allocation to allowance	-	-	-	-
Withdrawal from allowance	-	-	-	-
This period's net costs of provisions for groups of not significant loans	-	-	-	-
<i>Transfer risks</i>				
Allocation to allowance for transfer risks	80	5	80	5
Withdrawal from allowance for transfer risks	-1	-16	-1	-16
This period's change of provisions for transfer risks	79	-11	79	-11
<i>Contingent liabilities</i>				
Net cost for redemption of guarantees and other contingent liabilities	-	-	-	-
This period's net cost for redemption of guarantees and other contingent liabilities	-	-	-	-
Change in value of assets taken over for protection of claims	-	-	-	-
<b>Loan losses</b>	<b>-140</b>	<b>-113</b>	<b>-156</b>	<b>-132</b>

#### Note 4 Loans and receivables and their impairment

Group DKKm	30 Jun 2006	31 Dec 2005	30 Jun 2005
Loans and receivables to credit institutions	119,351	136,999	134,927
Loans and receivables to the public	428,677	419,376	399,120
<b>Total</b>	<b>548,028</b>	<b>556,375</b>	<b>534,047</b>

#### Loans and receivables by categories of borrowers, Group

30 Jun 2006, DKKm	Credit institutions	Corporates	Households	Public sector	Total
Loans and receivables, not impaired <sup>1</sup>	119,351	234,265	186,919	6,655	547,190
Impaired loans and receivables	145	3,244	1,056	-	4,445
<b>Loans and receivables before allowances</b>	<b>119,496</b>	<b>237,509</b>	<b>187,975</b>	<b>6,655</b>	<b>551,636</b>
Allowances for individually assessed loans	-	-2,316	-544	-	-2,860
Allowances for groups of significant loans	-145	-303	-100	-	-548
Allowances for groups of not significant loans	-	-	-200	-	-200
<b>Allowances</b>	<b>-145</b>	<b>-2,619</b>	<b>-844</b>	<b>-</b>	<b>-3,608</b>
<b>Loans and receivables, book value</b>	<b>119,351</b>	<b>234,890</b>	<b>187,131</b>	<b>6,655</b>	<b>548,028</b>
<sup>1</sup> Of which non-performing loans on which interest is taken as income	-	173	103	-	276

#### Specification of impaired loans and receivables

<b>Impaired loans and receivables before allowances</b>	<b>145</b>	<b>3,244</b>	<b>1,056</b>	<b>-</b>	<b>4,445</b>
Of which non-performing	-	1,046	250	-	1,295
Of which performing	145	2,199	806	-	3,150
<b>Allowances for impaired loans and receivables</b>	<b>-145</b>	<b>-2,619</b>	<b>-844</b>	<b>-</b>	<b>-3,608</b>
Of which non-performing	-	-420	-37	-	-457
Of which performing	-145	-2,199	-806	-	-3,150
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>625</b>	<b>212</b>	<b>-</b>	<b>838</b>
Of which non-performing	-	625	212	-	838
Of which performing	-	-	-	-	-

31 Dec 2005, DKKm	Credit institutions	Corporates	Households	Public sector	Total
Loans and receivables, not impaired <sup>1</sup>	136,999	234,867	178,070	5,822	555,758
Impaired loans and receivables	-	3,517	1,135	-	4,652
<b>Loans and receivables before allowances</b>	<b>136,999</b>	<b>238,384</b>	<b>179,205</b>	<b>5,822</b>	<b>560,410</b>
Allowances for individually assessed loans	-	-2,744	-622	-	-3,366
Allowances for groups of significant loans	-	-369	-100	-	-469
Allowances for groups of not significant loans	-	-	-200	-	-200
<b>Allowances</b>	<b>-</b>	<b>-3,113</b>	<b>-922</b>	<b>-</b>	<b>-4,035</b>
<b>Loans and receivables, book value</b>	<b>136,999</b>	<b>235,271</b>	<b>178,283</b>	<b>5,822</b>	<b>556,375</b>
<sup>1</sup> Of which non-performing loans on which interest is taken as income	-	164	105	-	269

#### Specification of impaired loans and receivables

<b>Impaired loans and receivables before allowances</b>	<b>-</b>	<b>3,517</b>	<b>1,135</b>	<b>-</b>	<b>4,652</b>
Of which non-performing	-	1,090	286	-	1,377
Of which performing	-	2,427	848	-	3,275
<b>Allowances for impaired loans and receivables</b>	<b>-</b>	<b>-3,113</b>	<b>-922</b>	<b>-</b>	<b>-4,035</b>
Of which non-performing	-	-686	-73	-	-759
Of which performing	-	-2,427	-848	-	-3,275
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>404</b>	<b>213</b>	<b>-</b>	<b>617</b>
Of which non-performing	-	404	213	-	617
Of which performing	-	-	-	-	-

Note 4, continued

30 Jun 2005, DKKm	Credit institutions	Corporates	Households	Public sector	Total
Loans and receivables, not impaired <sup>1</sup>	134,927	221,927	169,284	7,024	533,162
Impaired loans and receivables	51	4,037	1,205	-	5,293
<b>Loans and receivables before allowances</b>	<b>134,978</b>	<b>225,964</b>	<b>170,489</b>	<b>7,024</b>	<b>538,455</b>
Allowances for individually assessed loans	-	-3,071	-684	-	-3,755
Allowances for groups of significant loans	-51	-302	-100	-	-453
Allowances for groups of not significant loans	-	-	-200	-	-200
<b>Allowances</b>	<b>-51</b>	<b>-3,373</b>	<b>-984</b>	<b>-</b>	<b>-4,408</b>
<b>Loans and receivables, book value</b>	<b>134,927</b>	<b>222,591</b>	<b>169,505</b>	<b>7,024</b>	<b>534,047</b>
<sup>1</sup> Of which non-performing loans on which interest is taken as income	-	155	96	-	251
<b>Specification of impaired loans and receivables</b>					
<b>Impaired loans and receivables before allowances</b>	<b>51</b>	<b>4,037</b>	<b>1,205</b>	<b>-</b>	<b>5,293</b>
Of which non-performing	-	1,468	317	-	1,785
Of which performing	51	2,570	888	-	3,509
<b>Allowances for impaired loans and receivables</b>	<b>-51</b>	<b>-3,373</b>	<b>-984</b>	<b>-</b>	<b>-4,408</b>
Of which non-performing	-	-804	-96	-	-900
Of which performing	-51	-2,570	-888	-	-3,509
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>664</b>	<b>221</b>	<b>-</b>	<b>885</b>
Of which non-performing	-	664	221	-	885
Of which performing	-	-	-	-	-
			30 Jun 2006	31 Dec 2005	30 Jun 2005
Allowances/impaired loans and receivables before allowances, %			81	87	83
Impaired loans and receivables before allowances/loans and receivables to the public before allowances, %			1.0	1.1	1.3
			30 Jun 2006	31 Dec 2005	30 Jun 2005
<b>Assets taken over for protection of claims, DKKm, Group</b>					
<b>Current assets</b>					
Land and buildings			-	-	-
Shares and other participations			-	-	-
Other assets			-	-	-
<b>Total</b>			<b>-</b>	<b>-</b>	<b>-</b>

Note 4, continued

<b>Parent</b>	30 Jun	31 Dec	30 Jun
<b>DKKm</b>	<b>2006</b>	<b>2005</b>	<b>2005</b>
Loans and receivables to credit institutions	122,610	143,527	141,380
Loans and receivables to the public	230,650	228,573	222,566
<b>Total</b>	<b>353,260</b>	<b>372,100</b>	<b>363,946</b>

#### Loans and receivables by categories of borrowers, Parent

30 Jun 2006, DKKm	Credit institutions	Corporates	Households	Public sector	Total
Loans and receivables, not impaired <sup>1</sup>	122,610	174,471	49,540	5,878	352,499
Impaired loans and receivables	145	3,028	1,024	-	4,197
<b>Loans and receivables before allowances</b>	<b>122,755</b>	<b>177,499</b>	<b>50,564</b>	<b>5,878</b>	<b>356,697</b>
Allowances for individually assessed loans	-	-2,170	-519	-	-2,689
Allowances for groups of significant loans	-145	-303	-100	-	-548
Allowances for groups of not significant loans	-	-	-200	-	-200
<b>Allowances</b>	<b>-145</b>	<b>-2,473</b>	<b>-819</b>	<b>-</b>	<b>-3,437</b>
<b>Loans and receivables, book value</b>	<b>122,610</b>	<b>175,026</b>	<b>49,745</b>	<b>5,878</b>	<b>353,260</b>
<sup>1</sup> Of which non-performing loans on which interest is taken as income	-	173	103	-	276

#### Specification of impaired loans and receivables

<b>Impaired loans and receivables before allowances</b>	<b>145</b>	<b>3,028</b>	<b>1,024</b>	<b>-</b>	<b>4,197</b>
Of which non-performing	-	976	243	-	1,218
Of which performing	145	2,053	782	-	2,979
<b>Allowances for impaired loans and receivables</b>	<b>-145</b>	<b>-2,473</b>	<b>-819</b>	<b>-</b>	<b>-3,437</b>
Of which non-performing	-	-420	-37	-	-457
Of which performing	-145	-2,053	-782	-	-2,979
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>555</b>	<b>205</b>	<b>-</b>	<b>761</b>
Of which non-performing	-	555	205	-	761
Of which performing	-	-	-	-	-

31 Dec 2005, DKKm	Credit institutions	Corporates	Households	Public sector	Total
Loans and receivables, not impaired <sup>1</sup>	143,527	177,201	45,752	5,036	371,516
Impaired loans and receivables	-	3,343	1,099	-	4,443
<b>Loans and receivables before allowances</b>	<b>143,527</b>	<b>180,544</b>	<b>46,852</b>	<b>5,036</b>	<b>375,959</b>
Allowances for individually assessed loans	-	-2,589	-601	-	-3,190
Allowances for groups of significant loans	-	-369	-100	-	-469
Allowances for groups of not significant loans	-	-	-200	-	-200
<b>Allowances</b>	<b>0</b>	<b>-2,958</b>	<b>-901</b>	<b>-</b>	<b>-3,859</b>
<b>Loans and receivables, book value</b>	<b>143,527</b>	<b>177,586</b>	<b>45,951</b>	<b>5,036</b>	<b>372,100</b>
<sup>1</sup> Of which non-performing loans on which interest is taken as income	-	158	105	-	263

#### Specification of impaired loans and receivables

<b>Impaired loans and receivables before allowances</b>	<b>-</b>	<b>3,343</b>	<b>1,099</b>	<b>-</b>	<b>4,443</b>
Of which non-performing	-	917	251	-	1,168
Of which performing	-	2,427	848	-	3,275
<b>Allowances for impaired loans and receivables</b>	<b>-</b>	<b>-2,958</b>	<b>-901</b>	<b>-</b>	<b>-3,859</b>
Of which non-performing	-	-531	-53	-	-584
Of which performing	-	-2,427	-848	-	-3,275
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>386</b>	<b>198</b>	<b>-</b>	<b>584</b>
Of which non-performing	-	386	198	-	584
Of which performing	-	-	-	-	-

Note 4, continued

30 Jun 2005, DKKm	Credit institutions	Corporates	Households	Public sector	Total
Loans and receivables, not impaired <sup>1</sup>	141,380	172,531	43,151	5,998	363,061
Impaired loans and receivables	51	3,876	1,185	-	5,112
<b>Loans and receivables before allowances</b>	<b>141,431</b>	<b>176,407</b>	<b>44,336</b>	<b>5,998</b>	<b>368,173</b>
Allowances for individually assessed loans	-	-2,910	-664	-	-3,574
Allowances for groups of significant loans	-51	-302	-100	-	-453
Allowances for groups of not significant loans	-	-	-200	-	-200
<b>Allowances</b>	<b>-51</b>	<b>-3,212</b>	<b>-964</b>	<b>-</b>	<b>-4,227</b>
<b>Loans and receivables, book value</b>	<b>141,380</b>	<b>173,195</b>	<b>43,372</b>	<b>5,998</b>	<b>363,946</b>
<sup>1</sup> Of which non-performing loans on which interest is taken as income	-	149	96	-	245

#### Specification of impaired loans and receivables

<b>Impaired loans and receivables before allowances</b>	<b>51</b>	<b>3,876</b>	<b>1,185</b>	<b>-</b>	<b>5,112</b>
Of which non-performing	-	1,468	317	-	1,785
Of which performing	51	2,408	868	-	3,327
<b>Allowances for impaired loans and receivables</b>	<b>-51</b>	<b>-3,212</b>	<b>-964</b>	<b>-</b>	<b>-4,227</b>
Of which non-performing	-	-804	-96	-	-899
Of which performing	-51	-2,408	-868	-	-3,327
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>664</b>	<b>221</b>	<b>-</b>	<b>885</b>
Of which non-performing	-	664	221	-	885
Of which performing	-	-	-	-	-

	30 Jun 2006	31 Dec 2005	30 Jun 2005
Allowances/impaired loans and receivables before allowances, %	82	87	83
Impaired loans and receivables before allowances/loans and receivables to the public before allowances, %	1.8	1.9	2.3

	30 Jun 2006	31 Dec 2005	30 Jun 2005
<b>Assets taken over for protection of claims, DKKm, Parent</b>			

#### Current assets

Land and buildings	-	-	-
Shares and other participations	-	-	-
Other assets	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note 5 Classification of financial instruments

### Group

30 Jun 2006, DKKm	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
<b>Financial assets</b>							
Cash and balances with central banks	5,044	-	-	-	-	-	5,044
Loans and receivables to credit institutions	58,232	-	61,119	-	-	-	119,351
Loans and receivables to the public	176,463	-	45,626	197,994	-	-	420,083
Interest-bearing securities	-	-	127,111	-	-	339	127,451
Derivatives	-	-	1,895	-	238	-	2,133
Fair value changes of the hedged items in portfolio hedge of interest rate risk	479	-	-	-	-	-	479
Shares	-	-	16,860	-	-	-	16,860
Prepaid expenses and accrued income	2,742	-	-	-	-	-	2,742
Other assets	17,740	-	-	-	-	-	17,740
<b>Total</b>	<b>260,699</b>	<b>-</b>	<b>252,611</b>	<b>197,994</b>	<b>238</b>	<b>339</b>	<b>711,882</b>

30 Jun 2006, DKKm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
<b>Financial liabilities</b>					
Deposits by credit institutions	59,890	-	-	131,634	191,525
Deposits and borrowings from the public	16,174	-	-	237,004	253,177
Debt securities in issue	-	161,817	-	3,468	165,286
Derivatives	2,142	-	875	-	3,016
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-	-
Other liabilities	42,958	-	-	26,877	69,835
Accrued expenses and prepaid income	-	-	-	3,408	3,408
Subordinated liabilities	-	-	-	10,406	10,406
<b>Total</b>	<b>121,163</b>	<b>161,817</b>	<b>875</b>	<b>412,797</b>	<b>696,652</b>

### Parent

30 Jun 2006, DKKm	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
<b>Financial assets</b>							
Cash and balances with central banks	5,044	-	-	-	-	-	5,044
Loans and receivables to credit institutions	61,490	-	61,119	-	-	-	122,610
Loans and receivables to the public	185,025	-	45,626	-	-	-	230,650
Interest-bearing securities	-	-	162,753	-	-	339	163,092
Derivatives	-	-	1,895	-	238	-	2,133
Fair value changes of the hedged items in portfolio hedge of interest rate risk	479	-	-	-	-	-	479
Shares	-	-	16,855	-	-	-	16,855
Prepaid expenses and accrued income	3,188	-	-	-	-	-	3,188
Other assets	18,111	-	-	-	-	-	18,111
<b>Total</b>	<b>273,337</b>	<b>-</b>	<b>288,248</b>	<b>-</b>	<b>238</b>	<b>339</b>	<b>562,163</b>

30 Jun 2006, DKKm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
<b>Financial liabilities</b>					
Deposits by credit institutions	78,430	-	-	132,019	210,449
Deposits and borrowings from the public	16,174	-	-	238,916	255,089
Debt securities in issue	-	-	-	-	-
Derivatives	2,142	-	875	-	3,016
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-	-
Other liabilities	42,958	-	-	26,728	69,685
Accrued expenses and prepaid income	-	-	-	1,454	1,454
Subordinated liabilities	-	-	-	10,406	10,406
<b>Total</b>	<b>139,703</b>	<b>-</b>	<b>875</b>	<b>409,522</b>	<b>550,099</b>



## Note 6 Derivatives

### Group

	Assets Fair value	Liabilities Fair value	Total nom amount
30 Jun 2006, DKKm			
<b>Derivatives held for trading</b>			
Interest rate derivatives	631	890	981,120
Equity derivatives	896	918	90,329
Foreign exchange derivatives	160	101	3,322
Other derivatives	210	232	30,396
<b>Total</b>	<b>1,895</b>	<b>2,142</b>	<b>1,105,167</b>
<b>Derivatives used for hedging</b>			
Interest rate derivatives	238	547	83,105
Equity derivatives	-	-	-
Foreign exchange derivatives	-	328	41,302
<b>Total</b>	<b>238</b>	<b>875</b>	<b>124,407</b>
<b>Derivatives, total</b>			
Interest rate derivatives	869	1,437	1,064,225
Equity derivatives	896	918	90,329
Foreign exchange derivatives	160	429	44,624
Other derivatives	210	232	30,396
<b>Total</b>	<b>2,133</b>	<b>3,016</b>	<b>1,229,575</b>

### Parent

	Assets Fair value	Liabilities Fair value	Total nom amount
30 Jun 2006, DKKm			
<b>Derivatives held for trading</b>			
Interest rate derivatives	631	890	981,120
Equity derivatives	896	918	90,329
Foreign exchange derivatives	160	101	3,322
Other derivatives	210	232	30,396
<b>Total</b>	<b>1,895</b>	<b>2,142</b>	<b>1,105,167</b>
<b>Derivatives used for hedging</b>			
Interest rate derivatives	238	547	83,105
Equity derivatives	-	-	-
Foreign exchange derivatives	-	328	41,302
<b>Total</b>	<b>238</b>	<b>875</b>	<b>124,407</b>
<b>Derivatives, total</b>			
Interest rate derivatives	869	1,437	1,064,225
Equity derivatives	896	918	90,329
Foreign exchange derivatives	160	429	44,624
Other derivatives	210	232	30,396
<b>Total</b>	<b>2,133</b>	<b>3,016</b>	<b>1,229,575</b>

**Note 7 Capital adequacy**

	<b>Group</b>			<b>Parent</b>		
	30 Jun 2006	31 Dec 2005	30 Jun 2005	30 Jun 2006	31 Dec 2005	30 Jun 2005
Tier 1 capital, DKKm <sup>1</sup>	24,803	22,917	21,598	23,351	21,458	21,584
Capital base, DKKm <sup>1</sup>	34,886	32,599	31,086	33,434	31,141	31,072
Risk-weighted assets, DKKbn	348	329	313	318	300	289
Tier 1 capital ratio, % <sup>1</sup>	7.1	7.0	6.9	7.3	7.2	7.5
Total capital ratio, % <sup>1</sup>	10.0	9.9	9.9	10.5	10.4	10.8

<sup>1</sup>Incl. Year to date profit

The capital requirement pursuant to section 124(1) of the Danish Financial Business Act is 8%.