Nordea

Interim Report January-June 2013
Nordea Bank Danmark

Business registration number 13522197

Nordea Bank Danmark A/S is part of the Nordea Group. Nordea's vision is to be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders. 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 around 11 million customers, approximately 900 branch office locations and is among the ten largest universal banks in Europe in terms of total market capitalisation. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

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The following is a translation of the Danish original document. The original Danish text is the governing text for all purposes and in case of any discrepancy the Danish wording is applicable.

Key financial figures, Group

Income statement (DKKm)	Jan-Jun 2013	Jan-Jun 2012	Change %
Net interest income	5,905	5,735	3
Net fee and commission income	2,374	2,302	3
Net result from items at fair value	363	-61	-
Equity method	115	74	55
Other operating income	114	197	-42
Total operating income	**8,871**	**8,247**	**8**
Staff costs	-2,803	-3,137	-11
Other expenses	-1,984	-1,861	7
Depreciation of tangible and intangible assets	-201	-187	7
Other operating expenses	-61	-18	-
Total operating expenses	**-5,049**	**-5,203**	**-3**
Profit before loan losses	**3,822**	**3,044**	**26**
Net loan losses	-1,481	-2,097	-29
Operating profit	**2,341**	**947**	**147**
Income tax expense	-427	-228	-
Net profit for the period	**1,914**	**719**	**166**

Business volumes, key items (DKKbn)	30 Jun 2013	31 Dec 2012	Change %	30 Jun 2012	Change %
Loans to the public	603	609	-1	619	-3
Deposits and borrowings from the public	317	319	-1	306	3
Equity	39	37	5	33	20
Total assets	793	845	-6	866	-8

Ratios and key figures	Jan-Jun 2013	Jan-Jun 2012
Return on equity, %	10.1	4.5
Cost/income ratio	57	63
Tier 1 capital ratio[1]	13.7	9.9
Total capital ratio[1]	20.2	16.3
Capital base[1], DKKm	52,760	47,905
Tier 1 capital[1], DKKm	35,932	29,074
Risk-weighted assets, DKKbn	262	294
Loan loss ratio, basis points	48.6	69.1
Number of employees (full-time equivalents)	6,554	6,806

[1] End of period including net profit for the period.

Nordea Bank Danmark Group
Directors' report

Result summary January-June 2013

The general economic uncertainty continued to influence both household and corporate decision-making, resulting in moderate consumer spending, low levels of investment and focus on reducing debt.

Despite the somewhat subdued macroeconomic environment and uncertainty, NBD delivered satisfactory results for the first half of 2013. The activity level and customer interaction remained at a high level.

In the first half of 2013 total operating income amounted to DKK 8.9bn (DKK 8.2bn) (the comparative figures in brackets refer to the first half of 2012), corresponding to an increase of 8%. Net interest income increased 3% to DKK 5.9bn (DKK 5.7bn), and net fee and commission income was up 3% to DKK 2.4bn (DKK 2.3bn). Net result from items at fair value increased to DKK 0.4bn (DKK -0.1bn). Total operating expenses improved by 3% to DKK 5.0bn (DKK 5.2bn). Net loan losses decreased DKK 0.6bn to DKK 1.5bn.

NBD's operating profit was DKK 2.3bn (DKK 0.9bn). Net profit for the period increased DKK 1.2bn to DKK 1.9bn (DKK 0.7bn).

Income

Total operating income increased 8% to DKK 8.9bn (DKK 8.2bn), which is primarily related to net interest income and net result from items at fair value.

Net interest income increased 3% to DKK 5.9bn (DKK 5.7bn). The increase was mainly driven by net interest income from activities in Group Treasury and a slightly rising trend in lending margins for household and corporate customers. Mortgage lending margins were positively affected by changes to administration and reserve fees, which were implemented in January 2013. The increase was partly offset by lower deposit margins. Loans to the public excluding reverse repurchase agreements decreased 2% to DKK 603bn (DKK 613bn). Deposits from the public excluding repurchase agreements increased 3% to DKK 317bn (DKK 306bn).

Net fee and commission income rose 3% to DKK 2.4bn (DKK 2.3bn). Savings- and investment-related commissions rose 6% to DKK 1.6bn mainly due to higher asset management activity. Fee and commission expense rose 13% to DKK 0.3bn partly due to increased expenses relating to asset management.

Net result from items at fair value improved significantly, up DKK 0.5bn to DKK 0.4bn (DKK -0.1bn). The increase is related to income from customers' equity trading and the change to the mortgage refinancing fee structure in January 2013. Moreover, the net result of the unlisted private equity portfolio improved markedly mainly due to a positive fair value adjustment of the investment in Axcel III in the first half of 2013.

Expenses

Total operating expenses improved by 3% to DKK 5.0bn (DKK 5.2bn). Excluding expenses for the Danish Deposit Guarantee Fund, total operating expenses were reduced by 5% primarily due to the New Normal and cost-efficiency measures.

General administrative expenses decreased 4% to DKK 4.8bn due to a decline in staff costs of 11%. The decline in staff costs was mainly attributable to the reduction in the number of employees as a result of the New Normal plan and the transfer of employees to the Danish branch of Nordea Bank AB (NBAB) in conjunction with the centralisation of the Group's IT activities in NBAB at 1 May 2012. At the end of June 2013 the number of full-time employees (FTEs) had decreased 4% to 6,554 compared to 6,806 FTEs at the end of June 2012. Other expenses rose 7% to DKK 2.0bn primarily due to an increase in other operating expenses, including the contribution to the bank department of the Danish Deposit Guarantee Fund. The increase in the contribution

Throughout this report the terms "Nordea Bank Danmark" and "NBD" refer to the parent company Nordea Bank Danmark A/S, business registration number 13522197, and its subsidiaries. The interim report comprises the activities of the legal entity Nordea Bank Danmark A/S and 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 Second Quarter Results 2013 for Nordea Bank AB (publ) is available on nordea.com. The consolidated interim report for Nordea Bank AB (publ) embraces all the activities of the Nordea Group and provides the most complete and fair view.

was expected as the contribution in 2012 was extraordinarily reduced by the assets of the old scheme. Depreciation, amortisation and impairment charges of tangible and intangible assets rose 7% to DKK 0.2bn due to increased amortisation of intangible assets.

Other operating expenses comprise NBD's share of losses of the winding-up and restructuring department of the Danish Deposit Guarantee Fund. These expenses totalled DKK 0.1bn and primarily related to Fjordbank Mors.

The cost/income ratio improved to 57% compared to 63% in the first half of 2012.

Net loan losses

Net loan losses decreased DKK 0.6bn to DKK 1.5bn (DKK 2.1bn). The level was lower than in the first and second half of 2012, especially due to a fall in losses on individually assessed loans. Overall, loan losses are expected to remain at elevated levels.

The loan loss ratio was 49 bp (70 bp for the full year of 2012 and 69 bp in the first half of 2012).

The Danish economy is still characterised by low growth and uncertainty. The general economic uncertainty continued to influence both household and corporate decision-making, resulting in moderate consumer spending, low levels of investment and focus on reducing debt. However, the housing market has shown positive signs recently – although with geographical differences – and consumers have become more optimistic. The level of loan losses has slightly decreased, but remains at an elevated level. Core fundamentals in the Danish economy are still relatively strong with expected moderate GDP growth in 2013, strong public financials, low interest rates, a stable unemployment level and the number of household mortgage customers in difficulty is limited.

Most corporates are financially strong with a relatively good outlook.

Income tax expense

In June 2013 the Danish parliament adopted a gradual reduction of the corporation tax over a three-year period from 25% in 2013 to 22% in 2016. As a result, at 30 June 2013 NBD's deferred tax liabilities, net were reduced by DKK 46m.

Income tax expense was DKK 0.4bn (DKK 0.2bn). The effective tax rate of 18% was affected by the above-mentioned reduction of the corporation tax as well as non-taxable unrealised gains on unlisted equities.

With the lower corporation tax, a gradual increase over a six-year period in the payroll tax rate of banks was introduced. The increase is 0.3% in 2014 rising to 3% in 2019, which will when fully implemented result in additional tax of around DKK 144m annually.

In addition to corporation tax, NBD paid payroll tax in the first half of 2013 of 10.9% of the Group's payrolls, corresponding to DKK 0.2bn (DKK 0.2bn). Moreover, NBD's general administrative expenses were negatively affected by DKK 0.1bn (DKK 0.2bn) as financial institutions cannot deduct VAT.

Net profit for the period

Net profit for the period increased DKK 1.2bn to DKK 1.9bn (DKK 0.7bn), corresponding to a return on equity in the first half of 2013 of 10.1% (4.5%).

Credit portfolio

Loans to the public decreased 1% to DKK 603bn compared to the end of 2012. Lending to household customers decreased DKK 4bn. Lending to corporate customers decreased DKK 4bn, while lending to the public sector increased DKK 3bn.

Impaired loans, gross increased 1% to DKK 28.3bn compared to the end of 2012. Performing loans and non-performing loans accounted for 65% and 35%, respectively, of impaired loans, gross.

Impaired loans, net after allowances for individually assessed impaired loans amounted to DKK 18.0bn (DKK 18.5bn at end-2012), corresponding to 270 bp of total lending.

Off-balance sheet commitments

NBD guarantees some 20% of losses on the winding-up of distressed banks towards the winding-up and restructuring department of the Danish Deposit Guarantee Fund.

Supervisory Diamond

The parent company NBD A/S has also throughout the first half of 2013 complied with the requirements of the Supervisory Diamond introduced by the Danish Financial Supervisory Authority.

	30 Jun 2013	31 Dec 2012	30 Jun 2012
Large exposures (max 125%)	0	12	25
Lending growth (max 20%)	-10	-6	-7
Property exposure (max 25%)	8	8	7
Stable funding ratio (max 1)	0.69	0.73	0.80
Excess liquidity coverage (min 50%)	155	180	183

NBD A/S continues to have a strong funding position with a surplus of deposits. At 30 June 2013 the stable funding ratio excluding group internal subordinated loans and equity was 0.83 (0.87 at end-2012).

The excess liquidity coverage calculated in compliance with the Danish Financial Business Act was 155% (180% at end-2012). The liquidity buffer primarily consisted of balances and certificates of deposit with the Danish central bank and high-grade liquid securities.

Capital adequacy

At the end of June 2013 NBD's risk-weighted assets (RWA) totalled DKK 262bn compared to DKK 280bn at the end of 2012. The decrease is related to the decline in lendings and lower market risk.

The tier 1 capital ratio was 13.7% (end-2012: 12.1%) and the total capital ratio was 20.2% (end-2012: 18.2%) including net profit for the period. The increase in the tier 1 capital ratio and the total capital ratio is related to the recognition of net profit for the period in tier 1 capital and the decrease in RWA.

Under Danish law NBD must publish its individual solvency need on a quarterly basis. For further information, see nordea.com/investor+relations.

Changes to the Executive Management and the Board of Directors

The Executive Management and the Board of Directors of NBD were changed when CEO Michael Rasmussen left the Group at 18 March 2013. Anders Jensen was appointed CEO. Jørgen Høholt, Head of Corporate & Institutional Banking in NBD, joined the Executive Management. Peter Nyegaard was appointed member of the Board of Directors and resigned from the Executive Management. The Board of Directors appointed Peter Nyegaard as chairman.

After the change the Executive Management consists of Anders Jensen, Peter Lybecker and Jørgen Høholt. The Board of Directors consists of Peter Nyegaard, Torsten Hagen Jørgensen, Gunn Værsted, Ari Kaperi and Anne Rømer.

Risks and uncertainties

For information on risks and uncertainties, see Note 9.

Ratings

The ratings of Nordea Bank Danmark A/S are unchanged. Nordea Kredit maintains the highest ratings for covered bonds assigned by Moody's and Standard & Poor's.

Income statement, Group

DKKm	Note	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Operating income				
Interest income		11,653	12,263	24,431
Interest expenses		-5,748	-6,528	-12,963
Net interest income		**5,905**	**5,735**	**11,468**
Fee and commission income		2,637	2,535	5,026
Fee and commission expenses		-263	-233	-499
Net fee and commission income	2	**2,374**	**2,302**	**4,527**
Net result from items at fair value	3	363	-61	119
Profit from companies accounted for under the equity method		115	74	155
Other operating income		114	197	353
Total operating income		**8,871**	**8,247**	**16,622**
Operating expenses				
General administrative expenses:				
Staff costs		-2,803	-3,137	-5,890
Other expenses		-1,984	-1,861	-3,929
Depreciation, amortisation and impairment charges of tangible and intangible assets		-201	-187	-451
Other operating expenses		-61	-18	-52
Total operating expenses		**-5,049**	**-5,203**	**-10,322**
Profit before loan losses		**3,822**	**3,044**	**6,300**
Net loan losses	4	-1,481	-2,097	-4,264
Operating profit		**2,341**	**947**	**2,036**
Income tax expenses		-427	-228	-522
Net profit for the period		**1,914**	**719**	**1,514**
Attributable to:				
Shareholder of Nordea Bank Danmark A/S		1,914	719	1,514
Non-controlling interests		-	-	-
Total		**1,914**	**719**	**1,514**

Statement of comprehensive income

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Net profit for the period	**1,914**	**719**	**1,514**
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	-2	3	3
Available-for-sale investments:			
Valuation gains/losses during the period	89	-13	-17
Tax on valuation gains/losses during the period	-22	3	4
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	-	74	139
Tax on remeasurement of defined benefit plans	-	-19	-35
Other comprehensive income, net of tax	**65**	**48**	**94**
Total comprehensive income	**1,979**	**767**	**1,608**
Attributable to:			
Shareholder of Nordea Bank Danmark A/S	1,979	767	1,608
Non-controlling interests	-	-	-
Total	**1,979**	**767**	**1,608**

Balance sheet, Group

DKKm	Note	30 Jun 2013	31 Dec 2012	30 Jun 2012
Assets				
Cash and balances with central banks		21,673	32,390	6,786
Loans to central banks	5	43,010	44,811	96,477
Loans to credit institutions	5	9,930	13,063	19,634
Loans to the public	5	603,255	608,940	619,113
Interest-bearing securities		62,427	82,249	70,035
Financial instruments pledged as collateral		2,447	5,827	1,019
Shares		27,885	25,358	22,188
Derivatives		746	3,066	4,095
Fair value changes of the hedged items in portfolio hedge of interest rate risk		343	501	457
Investments in associated undertakings		922	967	887
Intangible assets		2,845	2,925	3,039
Property and equipment		726	697	729
Investment property		123	151	276
Deferred tax assets		82	86	116
Current tax assets		3	129	115
Retirement benefit assets		138	136	76
Other assets		14,805	22,110	18,463
Prepaid expenses and accrued income		2,013	1,709	2,251
Total assets		**793,373**	**845,115**	**865,756**
Of which assets customer bearing the risk		*31,669*	*30,346*	*29,149*
Liabilities				
Deposits by credit institutions		100,785	118,541	185,031
Deposits and borrowings from the public		316,868	319,220	306,356
Debt securities in issue		287,260	290,425	283,633
Derivatives		1,358	3,874	6,688
Fair value changes of the hedged items in portfolio hedge of interest rate risk		151	212	227
Current tax liabilities		415	201	202
Other liabilities		22,154	49,904	22,537
Accrued expenses and prepaid income		6,110	6,154	6,883
Deferred tax liabilities		752	917	820
Provisions		382	512	639
Retirement benefit obligations		17	21	25
Subordinated liabilities		18,088	18,093	20,256
Total liabilities		**754,340**	**808,074**	**833,297**
Equity				
Non-controlling interests		10	10	10
Share capital		5,000	5,000	5,000
Other reserves		187	122	76
Proposed dividends		-	-	-
Retained earnings		33,836	31,909	27,373
Total equity		**39,033**	**37,041**	**32,459**
Total liabilities and equity		**793,373**	**845,115**	**865,756**
Assets pledged as security for own liabilities		367,746	370,310	358,734
Other assets pledged		-	-	-
Contingent liabilities		27,211	26,378	26,437
Credit commitments[1]		160,765	179,642	164,492
Other commitments		-	-	-

[1] Including unutilised portion of approved overdraft facilities of DKK 136bn (31 Dec 2012: DKK 143bn, 30 Jun 2012: DKK 129bn).

Statement of changes in equity, Group

	Attributable to the shareholder of Nordea Bank Danmark A/S								
		Other reserves							
DKKm	Share capital[1]	Translation of foreign operations	Available-for-sale invest-ments	Deferred benefit plans	Proposed dividends[2]	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance at 1 Jan 2013	**5,000**	**6**	**12**	**104**	**-**	**31,909**	**37,031**	**10**	**37,041**
Net profit for the period	-	-	-	-	-	1,914	1,914	-	1,914
Currency translation differences during the period	-	-2	-	-	-	-	-2	-	-2
Available-for-sale investments:									
Valuation gains/losses during the period	-	-	89	-	-	-	89	-	89
Tax on valuation gains/losses during the period	-	-	-22	-	-	-	-22	-	-22
Items that may not be reclassified subsequently to the income statement									
Defined benefit plans:									
Remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-
Tax on remeasurement of defined benefit plans	-	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	**-**	**-2**	**67**	**-**	**-**	**-**	**65**	**-**	**65**
Total comprehensive income	**-**	**-2**	**67**	**-**	**-**	**1,914**	**1,979**	**-**	**1,979**
Share-based payments	-	-	-	-	-	13	13	-	13
Dividends paid	-	-	-	-	-	-	-	-	-
Closing balance at 30 Jun 2013	**5,000**	**4**	**79**	**104**	**-**	**33,836**	**39,023**	**10**	**39,033**
Opening balance at 1 Jan 2012	**5,000**	**3**	**25**	**-**	**-**	**26,816**	**31,844**	**10**	**31,854**
Restatement due to changed accounting policy	-	-	-	-	-	-163	-163	-	-163
Related opening balance at 1 Jan 2012	**5,000**	**3**	**25**	**-**	**-**	**26,653**	**31,681**	**10**	**31,691**
Net profit for the year	-	-	-	-	-	1,514	1,514	-	1,514
Items that may be reclassified subsequently to the income statement									
Currency translation differences during the year	-	3	-	-	-	-	3	-	3
Available-for-sale investments:									
Valuation gains/losses during the year	-	-	-17	-	-	-	-17	-	-17
Tax on valuation gains/losses during the year	-	-	4	-	-	-	4	-	4
Items that may not be reclassified subsequently to the income statement									
Defined benefit plans:									
Remeasurement of defined benefit plans	-	-	-	139	-	-	139	-	139
Tax on remeasurement of defined benefit plans	-	-	-	-35	-	-	-35	-	-35
Other comprehensive income, net of tax	**-**	**3**	**-13**	**104**	**-**	**-**	**94**	**-**	**94**
Total comprehensive income	**-**	**3**	**-13**	**104**	**-**	**1,514**	**1,608**	**-**	**1,608**
Capital contribution	-	-	-	-	-	3,725	3,725	-	3,725
Share-based payments	-	-	-	-	-	17	17	-	17
Dividends paid	-	-	-	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	-
Closing balance at 31 Dec 2012	**5,000**	**6**	**12**	**104**	**-**	**31,909**	**37,031**	**10**	**37,041**

Statement of changes in equity, Group

DKKm	Share capital[1]	Translation of foreign operations	Available-for-sale invest-ments	Deferred benefit plans	Proposed dividends[2]	Retained earnings	Total	Non-controlling interests	Total equity
	Attributable to the shareholder of Nordea Bank Danmark A/S								
		Other reserves							
Opening balance at 1 Jan 2012	**5,000**	**3**	**25**	**-**	**-**	**26,816**	**31,844**	**10**	**31,854**
Restatement due to changed accounting policy	-	-	-	-	-	-163	-163	-	-163
Related opening balance at 1 Jan 2012	**5,000**	**3**	**25**	**-**	**-**	**26,653**	**31,681**	**10**	**31,691**
Net profit for the period	-	-	-	-	-	719	719	-	719
Items that may be reclassified subsequently to the income statement									
Currency translation differences during the period	-	3	-	-	-	-	3	-	3
Available-for-sale investments:									
Valuation gains/losses during the period	-	-	-13	-	-	-	-13	-	-13
Tax on valuation gains/losses during the period	-	-	3	-	-	-	3	-	3
Items that may not be reclassified subsequently to the income statement									
Defined benefit plans:									
Remeasurement of defined benefit plans	-	-	-	74	-	-	74	-	74
Tax on remeasurement of defined benefit plans	-	-	-	-19	-	-	-19	-	-19
Other comprehensive income, net of tax	**-**	**3**	**-10**	**55**	**-**	**-**	**48**	**-**	**48**
Total comprehensive income	**-**	**3**	**-10**	**55**	**-**	**719**	**767**	**-**	**767**
Share-based payments	-	-	-	-	-	1	1	-	1
Dividends paid	-	-	-	-	-	-	-	-	-
Closing balance at 30 Jun 2012	**5,000**	**6**	**15**	**55**	**-**	**27,373**	**32,449**	**10**	**32,459**

[1] Total shares registered were 50 million (31 Dec 2012: 50 million, 30 Jun 2012: 50 million).

Cash flow statement, Group

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Operating activities			
Operating profit	2,341	947	2,036
Adjustments for items not included in cash flow	1,859	2,318	4,738
Income taxes paid	-269	-239	-490
Cash flow from operating activities before changes in operating assets and liabilities	**3,931**	**3,026**	**6,284**
Changes in operating assets and liabilities	-13,826	34,056	16,339
Cash flow from operating activities	**-9,895**	**37,082**	**22,623**
Investing activities			
Associated undertakings	-39	-18	-20
Property and equipment	-110	-51	-104
Intangible assets	-40	-101	-166
Cash flow from investing activities	**-189**	**-170**	**-290**
Financing activities			
Issued/redeemed/amortised subordinated liabilities	-5	-2	-2,165
Capital contribution	-	-	3,725
Dividend paid	-	-	-
Cash flow from financing activities	**-5**	**-2**	**1,560**
Cash flow for the period	**-10,089**	**36,910**	**23,893**
Cash and cash equivalents at beginning of period	77,933	54,040	54,040
Cash and cash equivalents at end of period	67,844	90,950	77,933
Change	**-10,089**	**36,910**	**23,893**

Cash and cash equivalents

The following items are included in cash and cash equivalents:

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Cash and balances with central banks	64,672	89,280	73,891
Loans to credit institutions, payable on demand	3,172	1,670	4,042
Total	**67,844**	**90,950**	**77,933**

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with the Danish central bank where the balance on the account is readily available at any time.

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

Note 1
Accounting policies

1. Basis for presentation
The consolidated financial statements for the Nordea Bank Danmark Group are presented in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU Commission, 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.

These consolidated financial statements are presented in accordance with IAS 34 "Interim Financial Reporting".

The financial statements have not been reviewed or audited.

2. Changed accounting policies and presentation
The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the Annual Report 2012, except for the presentation of defined benefit plans as described below.

The new standard IFRS 13 "Fair Value Measurement" was implemented in the first quarter 2013 but has not had any significant impact on the measurement of assets and liabilities. The additional disclosures required by IFRS 13 are presented in Note 7 and Note 8.

IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures" have been amended as regards offsetting of financial assets and financial liabilities. NBD has implemented these changes in the first half of 2013. There was no impact on the interim report from the amendment to IAS 32, while the additional disclosures required by IFRS 7 are presented in Note 9.

IAS 19 "Employee Benefits"
The amended IAS 19 "Employee Benefits" was implemented 1 January 2013. A detailed description of these changes is included in the Annual Report 2012, Note G1 "Accounting policies" section 3 "Changes in IFRSs not yet applied by NBD". The comparative figures on the balance sheet have been restated accordingly and are disclosed in the table below. The impact on the comparative figures in the income statement was not significant and the income statement has therefore not been restated. The impact on the first half of 2013 was not significant.

At transition 1 January 2013 the negative impact on equity was DKK 59m after income tax (DKK 79m before income tax). As actuarial losses were included in capital adequacy, the amendments will not have any impact on capital adequacy.

	31 Dec 2012		30 Jun 2012		1 Jan 2012	
DKKm	New policy	Old policy	New policy	Old policy	New policy	Old policy
Retirement benefit assets	136	215	76	220	10	227
Deferred tax liabilities	917	937	820	858	804	858
Other reserves[1]	122	18	76	21	28	28
Retained earnings	31,909	32,072	27,373	27,536	26,653	26,816

[1] Impact through "Other comprehensive income". The direct impact from defined benefit plans was DKK 104m at 31 December 2012.

Impact from new or amended IFRS standards
Two IFRS standards have been adopted by IASB but have not yet been implemented by NBD.

IFRS 9 "Financial Instruments" (Phase I) is not expected to have a significant impact on NBD's income statement and balance sheet as the mixed measurement model will be maintained. No significant reclassifications between fair value and amortised cost or impact on the capital adequacy are expected, but this is naturally dependent on the financial instruments on NBD's balance sheet at transition. It is furthermore expected that changes will be made to the standard before the standard becomes effective.

NBD's current assessment is that no additional entities that significantly affect NBD's income statement, balance sheet or equity will have to be consolidated when IFRS 10 "Consolidated Financial Statements" is implemented. It is not expected that the new standard will have a significant impact on the capital adequacy.

Notes to the financial statements, Group

Note 2
Net fee and commission income

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Asset Management commissions	610	509	1,000
Life insurance	12	12	23
Brokerage, securities issues and corporate finance	915	921	1,763
Custody and issuer services	88	90	182
Deposits	14	11	23
Total savings and investments	1,639	1,543	2,991
Payments	208	212	418
Cards	169	161	332
Total payment and cards	377	373	750
Lending	316	330	637
Guarantees and document payments	166	179	369
Total lending-related commissions	482	509	1,006
Other commission income	139	110	279
Fee and commission income	**2,637**	**2,535**	**5,026**
Savings and investments	-65	-45	-118
Payment expenses	-72	-59	-126
Cards	-86	-76	-138
Other commission expenses	-40	-53	-117
Fee and commission expenses	**-263**	**-233**	**-499**
Net fee and commission income	**2,374**	**2,302**	**4,527**

Note 3
Net result from items at fair value

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Shares/participations and other share-related instruments	984	164	714
Interest-bearing securities and other interest-related instruments	-265	-853	-1,943
Other financial instruments	-380	546	1,161
Foreign exchange gains/losses	22	81	182
Investment properties	2	1	5
Total	**363**	**-61**	**119**

Note 4
Net loan losses

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Loan losses divided by class			
Loans to credit institutions	0	0	0
Loans to the public	-1,636	-1,978	-4,294
- of which provisions	-2,600	-3,480	-6,670
- of which write-offs	-935	-903	-2,164
- of which allowances used for covering write-offs	748	732	1,820
- of which recoveries	1,070	1,606	2,579
- of which reversals	81	67	141
Off-balance sheet items[1]	155	-119	31
Total	**-1,481**	**-2,097**	**-4,264**

[1] Included in Provisions in the balance sheet.

Note 5
Loans and impairment

DKKm	Central banks and credit institutions[2] 30 Jun 2013	31 Dec 2012	30 Jun 2012	The public 30 Jun 2013	31 Dec 2012	30 Jun 2012	Total 30 Jun 2013	31 Dec 2012	30 Jun 2012
Loans, not impaired	52,940	57,874	116,111	586,203	591,319	604,105	639,143	649,193	720,216
Impaired loans:	-	-	-	28,262	28,042	24,325	28,262	28,042	24,325
- Performing	-	-	-	18,259	20,265	16,756	18,259	20,265	16,756
- Non-performing	-	-	-	10,003	7,777	7,569	10,003	7,777	7,569
Loans before allowances	**52,940**	**57,874**	**116,111**	**614,465**	**619,361**	**628,430**	**667,405**	**677,235**	**744,541**
Allowances for individually assessed impaired loans	-	-	-	-10,264	-9,581	-8,632	-10,264	-9,581	-8,632
- Performing	-	-	-	-6,103	-5,986	-5,474	-6,103	-5,986	-5,474
- Non-performing	-	-	-	-4,161	-3,595	-3,158	-4,161	-3,595	-3,158
Allowances for collectively assessed impaired loans	0	0	0	-946	-840	-685	-946	-840	-685
Allowances	**0**	**0**	**0**	**-11,210**	**-10,421**	**-9,317**	**-11,210**	**-10,421**	**-9,317**
Loans, carrying amount	**52,940**	**57,874**	**116,111**	**603,255**	**608,940**	**619,113**	**656,195**	**666,814**	**735,224**

Allowances and provisions

DKKm	30 Jun 2013	31 Dec 2012	30 Jun 2012
Allowances for items in the balance sheet	-11,210	-10,421	-9,317
Provisions for off-balance sheet items	-240	-302	-468
Total allowances and provisions	**-11,450**	**-10,723**	**-9,785**
Key ratios (basis points)[1]			
Impairment rate, gross	423.5	414.1	326.7
Impairment rate, net	269.7	272.6	210.8
Total allowance rate	168.0	153.9	125.1
Allowances in relation to impaired loans, %	36.3	34.2	35.5
Total allowances in relation to impaired loans, %	39.7	37.2	38.3
Non-performing loans, not impaired, DKKm	1,397	1,672	3,689

1 For definitions, see Business definitions on page 23.

2 Consists of loans to central banks of DKK 43,010m (DKK 44,811m at 31 December 2012 and DKK 96,477m at 30 June 2012) and loans to credit institutions of DKK 9,930m (DKK 13,063m at 31 December 2012 and DKK 19,634m at 30 June 2012).

Note 6
Classification of financial instruments

DKKm	Loans and receivables	Held to maturity	Financial assets at fair value through profit or loss: Held for trading	Financial assets at fair value through profit or loss: Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	21,673	-	-	-	-	-	21,673
Loans to credit institutions and central banks	47,911	-	4,477	552	-	-	52,940
Loans to the public	236,732	-	50	366,473	-	-	603,255
Interest-bearing securities	-	-	24,354	-	-	38,073	62,427
Financial instruments pledged as collateral	-	-	2,447	-	-	-	2,447
Shares	-	-	27,761	124	-	-	27,885
Derivatives	-	-	371	-	375	-	746
Fair value changes of the hedged items in portfolio hedge of interest rate risk	343	-	-	-	-	-	343
Other assets	14,805	-	-	-	-	-	14,805
Prepaid expenses and accrued income	1,425	-	588	-	-	-	2,013
Total 30 Jun 2013	**322,889**	**-**	**60,048**	**367,149**	**375**	**38,073**	**788,534**
Total 31 Dec 2012	352,597	-	94,862	362,403	338	29,824	840,024
Total 30 Jun 2012	394,997	-	93,883	353,244	849	17,547	860,520

DKKm	Financial liabilities at fair value through profit or loss: Held for trading	Financial liabilities at fair value through profit or loss: Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	3,272	4,247	-	93,266	100,785
Deposits and borrowings from the public	-	44,651	-	272,217	316,868
Debt securities in issue	-	287,198	-	62	287,260
Derivatives	935	-	423	-	1,358
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	151	151
Other liabilities	2,823	-	-	19,331	22,154
Accrued expenses and prepaid income	1	2,750	-	371	3,122
Subordinated liabilities	-	-	-	18,088	18,088
Total 30 Jun 2013	**7,031**	**338,846**	**423**	**403,486**	**749,786**
Total 31 Dec 2012	11,388	334,947	753	457,367	804,455
Total 30 Jun 2012	21,791	334,973	639	474,208	831,611

Notes to the financial statements, Group

Note 7
Fair value of financial assets and liabilities

30 Jun 2013, DKKm	Carrying amount	Fair value
Financial assets		
Cash and balances with central banks	21,673	21,673
Loans to central banks	43,010	43,010
Loans to credit institutions	9,930	9,930
Loans to the public	603,255	603,255
Interest-bearing securities	62,427	62,427
Financial instruments pledged as collateral	2,447	2,447
Shares	27,885	27,885
Derivatives	746	746
Fair value changes of the hedged items in portfolio hedge of interest rate risk	343	343
Other assets	19,644	19,644
Prepaid expenses and accrued income	2,013	2,013
Total	**793,373**	**793,373**
Financial liabilities		
Deposits by credit institutions	100,785	100,785
Deposits and borrowings from the public	316,868	316,868
Debt securities in issue	287,260	287,260
Derivatives	1,358	1,358
Fair value changes of the hedged items in portfolio hedge of interest rate risk	151	151
Other liabilities	23,720	23,720
Accrued expenses and prepaid income	6,110	6,110
Subordinated liabilities	18,088	18,088
Total	**754,340**	**754,340**

The determination of fair value is described in the Annual report 2012, Note G38 "Assets and liabilities at fair value".

Note 8
Financial assets and liabilities at fair value on the balance sheet

Categorisation into the fair value hierarchy

30 Jun 2013, DKKm	Quoted prices in active markets for same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Financial assets[1]				
Loans to central banks and credit institutions	-	5,029	-	5,029
Loans to the public	-	366,524	-	366,524
Interest-bearing securities	44,202	18,168	57	62,427
Financial instruments pledged as collateral	2,447	-	-	2,447
Shares	23,982	-	3,903	27,885
Derivatives	-	746	-	746
Prepaid expenses and accrued income	-	588	-	588
Financial liabilities[1]				
Deposits by credit institutions	-	7,519	-	7,519
Deposits and borrowings from the public	-	44,651	-	44,651
Debt securities in issue	287,198	-	-	287,198
Derivatives	-	1,358	-	1,358
Oher liabilities	2,823	-	-	2,823
Accrued expenses and prepaid income	-	2,751	-	2,751

[1] Are measured at fair value on a recurring basis at the end of each reporting period.

Note 8
Financial assets and liabilities at fair value on the balance sheet *(cont.)*

31 Dec 2012, DKKm	Quoted prices in active markets for same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Financial assets[1]				
Loans to central banks and credit institutions	-	8,129	-	8,129
Loans to the public	-	361,969	-	361,969
Interest-bearing securities	78,499	3,691	59	82,249
Financial instruments pledged as collateral	5,827	-	-	5,827
Shares	20,954	-	4,404	25,358
Derivatives	-	3,066	-	3,066
Prepaid expenses and accrued income	-	829	-	829
Financial liabilities[1]				
Deposits by credit institutions	-	12,050	-	12,050
Deposits and borrowings from the public	-	36,140	-	36,140
Debt securities in issue	290,264	-	-	290,264
Derivatives	-	3,874	-	3,874
Other liabilities	854	-	-	854
Accrued expenses and prepaid income	-	3,906	-	3,906

[1] Are measured at fair value on a recurring basis at the end of each reporting period.

30 Jun 2012, DKKm	Quoted prices in active markets for same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Financial assets[1]				
Loans to central banks and credit institutions	-	9,312	-	9,312
Loans to the public	-	357,873	-	357,873
Interest-bearing securities	68,651	1,384	-	70,035
Financial instruments pledged as collateral	1,019	-	-	1,019
Shares	17,709	-	4,479	22,188
Derivatives	3,325	770	-	4,095
Prepaid expenses and accrued income	-	1,001	-	1,001
Financial liabilities[1]				
Deposits by credit institutions	-	18,391	-	18,391
Deposits and borrowings from the public	-	38,206	-	38,206
Debt securities in issue	283,473	-	-	283,473
Derivatives	743	5,945	-	6,688
Oher liabilities	-	7,791	-	7,791
Accrued expenses and prepaid income	-	2,854	-	2,854

[1] Are measured at fair value on a recurring basis at the end of each reporting period.

Note 8
Financial assets and liabilities at fair value on the balance sheet *(cont.)*

Measurement of offsetting positions
Financial assets and liabilities with offsetting positions in market risk or credit risk are measured on the basis of the price that would be received to sell the net asset exposed for that particular risk or paid to transfer the net liability exposed for that particular risk. For more information about valuation techniques and inputs used in the fair value measurement, see the Annual Report 2012, Note G38 "Assets and liabilities at fair value".

Transfers between Level 1 and 2
During the first half of 2013 NBD transferred interest-bearing securities (including financial instruments pledged as collateral) of DKK 445m from Level 1 to Level 2 and DKK 175m from Level 2 to Level 1 of the fair value hierarchy. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

Movements in Level 3

		Fair value gains/losses included in the income statement during the year						
DKKm	1 Jan 2013	Realised	Unrealised	Purchases	Sales	Settlements	Translation differences	30 Jun 2013
Interest-bearing securities	59	1	0	-	-	-3	-	57
Shares	4,404	23	348	370	-1,226	-22	6	3,903

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. There have been no transfers in or out of Level 3. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value".

The valuation processes for fair value measurements in Level 3
Valuation principles in Nordea are determined in and approved by the Group Valuation Committee (GVC). GVC issues guiding policies to the business units on how to establish a robust valuation process and minimise the valuation uncertainty. The GVC also serves as escalation point.

The valuation process in Nordea consists of several steps. The first step is the initial end of day (EOD) marking of mid-prices. The mid-prices are either fixed by front office or received from external sources. The second step is the control part, which is performed by independent control units. The cornerstone in the control is the independent price verification (IPV). The IPV test comprises verification of the correctness of prices and other parameters used in the net present value (NPV) calculation, the adequacy of the valuation models, including an assessment of whether to use quoted prices or valuation models, and the reliability of the assumptions and parameters used in the fair value adjustments (FVA) covering mainly liquidity (bid/offer spread) and credit adjustments.

The verification of the correctness of prices and other parameters is carried out daily. Third-party information, such as broker quotes and pricing services, is used as benchmark data in the verification. The quality of the benchmark data is assessed on a regular basis. This quality assessment is used in the measurement of the valuation uncertainty.

The FVAs and the deferrals of day 1 P/L on Level 3 trades are calculated and reported on a monthly basis. The actual assessment of instruments in the fair value hierarchy is performed on a continuous basis.

Note 8
Financial assets and liabilities at fair value on the balance sheet *(cont.)*

Valuation techniques and inputs used in the fair value measurements in Level 3

30 Jun 2013, DKKm	Fair value	Valuation techniques
Shares		
Private equity fund investments	2,149	Adjusted net asset value[1]
Hedge funds	895	Net asset value[1]
Structured Credit Funds	606	Net asset value[1]
Other fund investments	144	Net asset value[1]
Other	109	
Interest-bearing securities		
Other	57	
Total	**3,960**	

[1] The fair values are based on prices and net assets values delivered by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the development in assets behind the investments. The dominant measurement methodology, used by the suppliers/custodians, is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by the EVCA (European Venture Capital Association). The private equity fund investments are internally adjusted/valued based the IPEV guidelines. These carrying amounts are in a range of -100% to +6% compared to the values received from suppliers/custodians.

Sensitivity analysis of Level 3 financial instruments

		Effect of reasonably possible alternative assumptions	
30 Jun 2013, DKKm	Carrying amount	Favourable	Unfavourable
Assets			
Interest-bearing securities	57	6	-6
Shares	3,903	342	-342

The method used to calculate the sensitivities is described in the Annual Report 2012, Note G38 “Assets and liabilities at fair value”.

Deferred Day-1 profit
The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to that the transaction price is not established in an active market. In such cases valuation models are applied to estimate the exit price and if significant unobservable parameters are used such instruments are categorised as Level 3 instruments and any day-1 profit is deferred. If exit prices are available in active markets for the same instrument such prices are used. For more information see the Annual Report 2012, Note G1 “Accounting policies”.

At 30 Jun deferred Day-1 profit amounted to DKK 0m (DKK 0m).

Note 9
Financial instruments set off on balance sheet or subject to netting agreements

NBD ‘s financial assets and liabilities are recognised on the balance sheet on a gross basis at 30 June 2013 and 30 June 2012.

The fact that financial instruments are being accounted for on a gross basis on the balance sheet would not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally financial instruments (derivatives, repos and securities lending transactions) would be subject to master netting agreements, and as a consequence NBD would be allowed to benefit from netting both in the ordinary course of business and in the case of default towards its counterparties, in any calculations involving counterparty credit risk. The reason why the netted exposures are not reflected under assets and liabilities on the balance sheet, would in most instances depend on the limited application of net settlement of financial transactions.

Except for derivatives and repurchase agreements, NBD has not at 30 June 2013 and 30 June 2012 included financial assets and liabilities comprised by netting agreements or similar agreements.

Note 10
Capital adequacy

Capital base

DKKm	30 Jun 2013	31 Dec 2012	30 Jun 2012
Core tier 1 capital, including profit for the period	35,932	34,009	29,074
Total capital base, including profit for the period	52,760	50,854	47,905
Core tier 1 capital, excluding profit for the period	34,018	34,009	28,355
Total capital base, excluding profit for the period	50,846	50,854	47,186

Note 10
Capital adequacy *(continued)*

Capital requirements and risk-weighted assets

DKKm	30 Jun 2013 Capital requirement	30 Jun 2013 RWA	31 Dec 2012 Capital requirement	31 Dec 2012 RWA	30 Jun 2012 Capital requirement	30 Jun 2012 RWA
Credit risk	**18,101**	**226,258**	**18,850**	**235,611**	**19,800**	**247,495**
IRB	16,853	210,657	17,589	219,854	18,360	229,502
- of which corporate	10,822	135,280	10,968	137,095	11,342	141,779
- of which institutions	370	4,623	335	4,190	407	5,083
- of which retail	5,439	67,990	5,988	74,848	6,350	79,377
- of which SME	123	1,535	161	2.019	181	2,260
- of which real estate	2,513	31,410	2,918	36,474	2,833	35,409
- of which other	2,804	35,045	2,908	36,355	3,337	41,707
- of which other	221	2,765	298	3,721	261	3,263
Standardised	1,248	15,601	1,261	15,757	1,439	17,993
- of which sovereign	38	471	38	471	29	359
- of which retail	349	4,357	318	3,971	328	4,100
- of which other	862	10,773	905	11,315	1,083	13,534
Market risk	**424**	**5,302**	**1,140**	**14,254**	**1,266**	**15,819**
- of which trading book, Internal Approach	187	2,338	450	5,627	1,015	12,685
- of which trading book, Standardised Approach	237	2,964	690	8,627	149	1,861
- of which FX, Standardised Approach	0	0	0	0	102	1,273
Operational risk	**2,402**	**30,019**	**2,424**	**30,304**	**2,424**	**30,304**
- of which standardised	2,402	30,019	2,424	30,304	2,424	30,304
Sub total	**20,926**	**261,579**	**22,414**	**280,169**	**23,489**	**293,618**
Adjustment for transition rules						
Additional capital requirement according to transition rules	9,753	121,918	9,913	123,915	8,731	109,139
Total	**30,680**	**383,497**	**32,327**	**404,084**	**32,221**	**402,757**

Capital ratio, excl transition rules	30 Jun 2013	31 Dec 2012	30 Jun 2012
Core tier 1 ratio, %, incl profit for the period	13.7	12.1	9.9
Capital ratio, %, incl profit for the period	20.2	18.2	16.3
Core tier 1 ratio, %, excl profit for the period	13.0	12.1	9.7
Capital ratio, %, excl profit for the period	19.4	18.2	16.1

Analysis of capital requirements

Exposure class, 30 Jun 2013	Average risk weight (%)	Capital requirement (DKKm)
Corporate	49	10,822
Institutions	9	370
Retail IRB	18	5,439
Sovereign	1	38
Other	65	1,432
Total credit risk		**18,101**

Notes to the financial statements, Group

Note 11
Risks and uncertainties

NBD's revenue base reflects the NBD Group's business with a large and diversified customer base, comprising household customers, corporate customers and financial institutions, representing different geographic areas and industries.

NBD's main risk exposure is credit risk. NBD also assumes risks such as market risk, liquidity risk and operational risk. See the Annual Report for further information on risk composition.

The financial crisis and the deteriorated macroeconomic situation have not had material impact on NBD's financial position. However, the macroeconomic development remains uncertain.

None of the above exposures and risks is expected to have any significant adverse effect on the NBD Group or its financial position in the medium term.

Within the framework of the normal business operations, the NBD Group faces claims in civil lawsuits and other disputes, most of which involve relatively limited amounts. None of these disputes is considered likely to have any significant adverse effect on the NBD Group or its financial position in the next six months.

Note 12
Related-party transactions

Nordea defines related parties as shareholders with significant influence, group undertakings and other group companies, associated undertakings, key management personnel and other related parties. Key management personnel include the Board of Directors and the Executive Management. Other related parties comprise companies significantly influenced by key management personnel in the Nordea Group as well as companies significantly influenced by close family members to these key management personnel. During the first half of 2013, there have not been any significant related-party transactions compared to the information provided in the Annual Report.

Business definitions

These definitions apply to the descriptions in the interim Report.

Return on equity
Net profit for the period excluding non-controlling interests as a percentage of average equity for the period. Average equity including net profit for the period and dividend until paid, non-controlling interests excluded.

Tier 1 capital
The proportion of the capital base, which includes shareholders' equity excluding proposed dividend, deferred tax assets, intangible assets in the banking operations and half of the expected shortfall deduction – the negative difference between expected losses and recognised provisions. Subsequent to the approval of the supervisory authorities, tier 1 capital also includes qualified forms of subordinated loans (tier 1 capital contributions and hybrid capital loans). The core tier 1 capital constitutes the tier 1 capital excluding hybrid capital loans.

Capital base
The capital base includes the sum of the tier 1 capital and the supplementary capital consisting of subordinated loans, after deduction for expected shortfall.

Risk-weighted assets
Total assets and off-balance sheet items valued on the basis of the credit and market risks as well as operational risks of the Group's undertakings, in accordance with regulations governing capital adequacy, excluding carrying amount of shares, intangible assets and deferred tax which have been deducted from the capital base.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk-weighted assets. The core tier 1 ratio is calculated as core tier 1 capital as a percentage of risk-weighted assets.

Total capital ratio
Capital base as a percentage of risk-weighted assets.

Loan loss ratio
Net loan losses (annualised) divided by opening balance of loans to the public (lending).

Impairment rate, gross
Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net
Individually assessed impaired loans after allowances divided by total loans before allowances.

Total allowance rate
Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans
Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to impaired loans (provisioning ratio)
Total allowances divided by total impaired loans before allowances.

Non-performing, not impaired
Non-performing loans, not impaired due to future cash flows (included in Loans, not impaired).

Cost/income ratio
Total operating expenses divided by total operating income.

Income statement, parent company

DKKm	Note	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Interest income		5,474	6,493	12,295
Interest expenses		-1,696	-2,512	-4,070
Net interest income		**3,778**	**3,981**	**8,225**
Dividend income		684	566	637
Fee and commission income		2,866	2,686	5,349
Fee and commission expense		-225	-187	-400
Net interest and fee income		**7,103**	**7,046**	**13,811**
Net result from items at fair value	2	141	-274	-114
Other operating income		116	218	391
Staff costs and administrative expenses		-4,603	-4,845	-9,473
Depreciation, amortisation and impairment charges of tangible and intangible assets		-194	-180	-436
Other operating expenses		-61	-18	-52
Net loan losses		-1,237	-1,825	-3,704
Profit from companies accounted for under the equity method		923	637	1,178
Profit before tax		**2,188**	**759**	**1,601**
Tax		-208	-50	-101
Net profit for the period		**1,980**	**709**	**1,500**

Statement of comprehensive income

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Net profit for the period	**1,980**	**709**	**1,500**
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	-2	3	3
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	-	74	139
Tax on remeasurement of defined benefit plans	-	-19	-35
Other comprehensive income, net of tax	**-2**	**58**	**107**
Total comprehensive income	**1,978**	**767**	**1,607**

Balance sheet, parent company

DKKm	Note	30 Jun 2013	31 Dec 2012	30 Jun 2012
Assets				
Cash and balances with central banks		21,423	32,020	6,785
Loans to credit institutions and central banks		83,316	105,112	144,494
Loans and receivables at fair value		5,972	86	5,688
Loans and receivables at amortised cost		237,840	251,304	265,604
Bonds at fair value		143,701	173,926	130,512
Bonds at amortised cost		-	3,750	3,770
Shares		11,327	8,565	6,492
Investments in associated undertakings		901	946	868
Investments in group undertakings		27,465	26,793	26,444
Assets in portfolio schemes		30,207	30,346	29,149
Intangible assets		2,813	2,891	3,006
Total land and buildings		33	33	34
Owner-occupied properties		33	33	34
Other property and equipment		427	387	413
Current tax assets		-	120	85
Assets temporarily taken over		60	66	55
Other assets		17,607	51,970	26,387
Prepaid expenses and accrued income		796	446	705
Total assets		**583,888**	**688,761**	**650,491**
Liabilities				
Deposits by credit institutions and central banks		98,173	113,594	177,965
Deposits and borrowings from the public		294,803	289,616	279,625
Deposits in portfolio schemes		31,669	31,948	28,552
Other non-derivative financial liabilities at fair value		63,939	49,663	52,399
Current tax liabilities		251	201	207
Other liabilities		36,302	146,730	57,259
Accrued expenses and prepaid income		63	45	59
Total liabilities		**525,200**	**631,797**	**596,066**
Provisions				
Provisions for pensions and similar obligations		17	21	25
Provisions for deferred tax		277	425	289
Provisions for losses on guarantees		1,026	1,168	1,201
Other provisions		237	207	184
Total provisions		**1,557**	**1,821**	**1,699**
Subordinated liabilities				
Subordinated liabilities		18,088	18,093	20,256
Equity				
Share capital		5,000	5,000	5,000
Accumulated value changes		24	26	26
Net revaluation reserve under equity method		11,200	10,614	10,174
Retained earnings		22,819	21,410	17,270
Proposed dividend		-	-	-
Total equity		**39,043**	**37,050**	**32,470**
Total liabilities		**583,888**	**688,761**	**650,491**

Statement of changes in equity, parent company

DKKm	Share capital	Accumulated value changes: Translation of foreign operations	Accumulated value changes: Revaluation reserves	Net revaluation reserve under equity method	Retained earnings	Proposed dividend	Total equity
Opening balance at 1 Jan 2013	**5,000**	**6**	**20**	**10,614**	**21,410**	**-**	**37,050**
Profit for the period	-	-	-	586	1,394	-	1,980
Other comprehensive income	-	-2	-	-	-	-	-2
Share-based payments	-	-	-	-	15	-	15
Dividend paid	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-
Closing balance at 30 Jun 2013	**5,000**	**4**	**20**	**11,200**	**22,819**	**-**	**39,043**
Opening balance at 1 Jan 2012	**5,000**	**3**	**20**	**9,748**	**16,930**	**-**	**31,701**
Capital contribution	-	-	-	-	3,725	-	3,725
Net profit for the year	-	-	-	866	634	-	1,500
Other comprehensive income	-	3	-	-	104	-	107
Share-based payments	-	-	-	-	16	-	16
Dividends paid	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-
Closing balance at 31 Dec 2012	**5,000**	**6**	**20**	**10,614**	**21,410**	**-**	**37,050**
Opening balance at 1 Jan 2012	**5,000**	**3**	**20**	**9,748**	**16,930**	**-**	**31,701**
Profit for the period	-	-	-	426	283	-	709
Other comprehensive income	-	3	-	-	55	-	58
Share-based payments	-	-	-	-	1	-	1
Dividend paid	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-
Closing balance at 30 Jun 2012	**5,000**	**6**	**20**	**10,174**	**17,270**	**-**	**32,470**

Notes to the financial statements, parent company

Note 1
Accounting policies

1. Basis for presentation
The interim financial statements for the parent company Nordea Bank Danmark A/S are prepared in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's Executive Order on financial reports for credit institutions and investment companies etc. (the Danish Financial Supervisory Authority's Executive Order).

The financial statements have not been reviewed or audited.

2. Changed accounting policies and presentation
The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the Annual Report 2012, except for the presentation of defined benefit plans. Remeasurement of the amount of the net assets must be recognised in equity through other comprehensive income instead of the income statement.

The comparative figures in the income statement and other comprehensive income have been restated. The comparative figures in the balance sheet were not affected.

The change in accounting policies does not have any effect on the equity and the statement of capital adequacy of the parent company.

3. Differences between the Group's financial statements based on IFRS and the parent company's financial statements based on the Danish Financial Supervisory Authority's Executive Order
The accounting policies of the Danish Financial Supervisory Authority's Executive Order for measurement and recognition are in accordance with the Group's accounting policies prepared in accordance with the IFRS with the exception that:
- owner-occupied properties are measured at fair value (revalued amount)
- the category financial assets available for sale is not used.

Moreover, the presentation of the income statement, balance sheet etc. of the parent company and the Group differs.

In terms of amount the difference in the income statement and equity of the Group and the parent company is shown below:

	Net profit for the period			Equity		
DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012	30 Jun 2013	31 Dec 2012	30 Jun 2012
Group according to IFRS	1,914	719	1,514	39,033	37,041	32,459
Differences between IFRS and FSA Executive Order:						
- Fair value adjustment of owner-occupied properties	-	-	-	20	20	20
- Financial assets available for sale	89	-13	-17	-	-	-
- Tax effect	-22	3	4	-	-	-
- Non-controlling interests[1]	-	-	-	1,255	1,255	1,255
Group prepared according to FSA Executive Order	1,980	709	1,500	40,308	38,315	33,735
Non-controlling interests	-	-	-	1,265	1,265	1,265
Parent company prepared according to FSA Executive Order	**1,980**	**709**	**1,500**	**39,043**	**37,050**	**32,470**

[1] Non-controlling interests relate to proportionate consolidation of a special reserve in an consolidated undertaking.

Note 2
Net result from items at fair value

DKKm	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Other loans and receivables at fair value	0	-5	-3
Bonds	107	13	-362
Shares	428	-386	238
Foreign exchange	49	10	163
Derivatives	-456	76	-167
Assets in portfolio schemes	385	931	2,264
Deposits in portfolio schemes	-385	-931	-2,264
Other liabilities	13	18	17
Total	**141**	**-274**	**-114**

Note 3
Loan losses and provisions for losses on guarantees etc

DKKm	Loans and guarantees, individual	Loans and guarantees, collective	Receivables, individual	Receivables, collective	Total
Opening balance at 1 Jan 2013	**9,140**	**789**	**20**	**-**	**9,949**
Loan losses and provisions during the period	1,474	195	-	-	1,669
Reversals, previous periods	-408	-115	-8	-	-531
Other movements	-	-	-	-	-
Valuation gains/losses of assets taken over	-	-	-	-	-
Previous loan losses and provisions now written off, individual	-510	-	-	-	-510
Closing balance at 30 Jun 2013	**9,696**	**869**	**12**	**-**	**10,577**
Opening balance at 1 Jan 2012	**6,623**	**1,247**	**13**	**-**	**7,883**
Impairment losses during the year	5,276	326	9	-	5,611
Reversal of impairment losses effected in previous financial years	-1,580	-784	-2	-	-2,366
Other changes	-	-	-	-	-
Finally lost, previously individually written down	-1,179	-	-	-	-1,179
Closing balance at 31 Dec 2012	**9,140**	**789**	**20**	**-**	**9,949**
Opening balance at 1 Jan 2012	**6,623**	**1,247**	**13**	**-**	**7,883**
Loan losses and provisions during the period	3,078	71	9	-	3,158
Reversals, previous periods	-787	-677	-	-	-1,464
Other movements	-	-	-	-	-
Valuation gains/losses of assets taken over	-	-	-	-	-
Previous loan losses and provisions now written off, individual	-524	-	-	-	-524
Closing balance at 30 Jun 2012	**8,390**	**641**	**22**	**-**	**9,053**

Note 4
Ratios and key figures

	Jan-Jun 2013	Jan-Jun 2012	Full year 2012
Total capital ratio	20.8	16.6	19.2
Tier 1 capital ratio	13.6	9.8	12.6
Pre-tax return on equity (%)	5.8	2.4	4.7
Post-tax return on equity (%)	5.2	2.2	4.4
Income/cost ratio	1.4	1.1	1.1
Interest rate risk	0.8	1.3	2.4
Loans before allowances relative to deposits	77.6	90.6	80.9
Excess cover relative to statutory liquidity requirements	155.1	182.8	179.8
Impairment ratio	2.8	2.3	2.6
Impairment ratio for the period	0.3	0.5	1.0
Lending growth for the period (%)	-3.0	1.4	-6.0
Loans/equity	6.2	8.4	6.8

The calculation of the ratios and key figures is based on the definitions of the Danish Financial Supervisory Authority's Executive Order on financial reports for credit institutions and investment companies etc.

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today discussed and approved the interim report of NBD Group and Nordea Bank Danmark A/S for January-June 2013.

The Interim Report January-June 2013 for the Group has been prepared in accordance with IAS 34, Interim Financial Reporting, and the interim report for the parent company has been prepared in accordance with the Danish Financial Business Act. Moreover, the interim report for the Group has been prepared in accordance with additional Danish disclosure requirements for interim financial reports of financial companies. It is our opinion that the consolidated financial statements and parent company's financial statements give a true and fair view of the Group's and the parent company's assets, liabilities, financial position at 30 June 2013 and of the results of the Group's and the parent company's operations and Group's cash flows for the financial half year 1 January – 30 June 2013.

Further, in our opinion, the Director's report provides a fair review of the development in the Group's and the parent company's operations and financial matters, the results of the Group's and the parent company's operations and financial position and describes material risks and uncertainties that may affect the Group and the parent company.

Stockholm, 16 July 2013

Board of Directors

Peter Nyegaard (Chairman)	Torsten Hagen Jørgensen	Gunn Wærsted
Ari Kaperi	Anne Rømer	

Executive Management

Anders Jensen (CEO)	Peter Lybecker	Jørgen Høholt

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