



Interim Report January-June 2014

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 800 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.

Contents

Key financial figures, Group.....	3
Directors' report.....	4
Interim financial statements, Group	
Income statement.....	7
Statement of comprehensive income ..	7
Balance sheet	8
Statement of changes in equity	9
Cash flow statement, condensed.....	10
Notes to the financial statements.....	11
Business definitions.....	20
Interim financial statements, Parent	
Income statement.....	21
Statement of comprehensive income ..	21
Balance sheet	22
Statement of changes in equity	23
Notes to the financial statements.....	24
Statement	
Statement by the Board of Directors and the Executive Management.....	27

Key financial figures, Group

Income statement (DKKm)	Jan-Jun 2014	Jan-Jun 2013	Change %
Net interest income	5,493	5,905	-7
Net fee and commission income	2,884	2,374	21
Net result from items at fair value	197	363	-46
Equity method	51	115	-56
Other operating income	139	114	22
Total operating income	8,764	8,871	-1
Staff costs	-2,957	-2,803	5
Other expenses	-2,128	-1,984	7
Depreciation of tangible and intangible assets	-211	-201	5
Other operating expenses	-2	-61	-97
Total operating expenses	-5,298	-5,049	5
Profit before loan losses	3,466	3,822	-9
Net loan losses	-866	-1,481	-42
Operating profit	2,600	2,341	11
Income tax expense	-625	-427	46
Net profit for the period	1,975	1,914	3

Business volumes, key items (DKKbn)	30 Jun 2014	31 Dec 2013	Change %	30 Jun 2013	Change %
Loans to the public	604	601	1	603	0
Deposits and borrowings from the public	331	313	6	317	4
Equity	41	41	0	39	5
Total assets	802	826	-3	788	2

Ratios and key figures	Jan-Jun 2014	Jan-Jun 2013
Return on equity, %	9.7	10.1
Cost/income ratio, %	60	57
Loan loss ratio, basis points	29	49
Common Equity Tier 1 capital ratio incl. profit, % ^{1,2}	14.4	13.7
Tier 1 capital ratio incl. profit, % ^{1,2}	14.4	13.7
Total capital ratio incl. profit, % ^{1,2}	19.6	20.2
Tier 1 capital incl. profit, DKKm ^{1,2}	38,990	35,932
Risk exposure amount excl transition rules, DKKbn	272	262
Number of employees (full-time equivalents)	6,379	6,554

¹ End of period.

² The Jan-Jun 2013 ratios are reported under the Basel II regulation framework and the Jan-Jun 2014 ratios are reported using the Basel III (CRR/CRDIV) framework.

Nordea Bank Danmark Group

Directors' report

Result summary January-June 2014

NBD maintained solid business momentum in the first half of 2014 with a continued inflow of customers and strong activity, particularly in our savings area and corporate advisory business. Income is holding up well, despite low lending demand and low interest rates.

NBD's operating profit increased 11% to DKK 2.6bn (DKK 2.3bn) (the comparative figures in brackets refer to the first half of 2013). Net profit for the period was DKK 2.0bn (DKK 1.9bn).

Income

Total operating income decreased with 1% to DKK 8.8bn (DKK 8.9bn). Net interest income decreased 7% to DKK 5.5bn (DKK 5.9bn). The decrease was mainly driven by interest rate positions in Group Corporate Centre. Net interest income was positively affected by higher lending margins on mortgage loans for household customers. The increase was offset by lower lending margins for corporate customers. Loans to the public excluding reverse repurchase agreements were DKK 604bn and at the same level as last year (DKK 603bn). Deposits from the public excluding repurchase agreements increased 4% to DKK 331bn (DKK 317bn).

Net fee and commission income increased 21% to DKK 2.9bn (DKK 2.4bn). Savings- and investment-related commissions increased 24% to DKK 2bn mainly due to higher brokerage, corporate finance, custody and issuer services and asset management commissions. Other commission income increased 33% to DKK 0.2bn mainly due to higher commission income from insurance sales. Fee and commission expenses decreased 9% to DKK 0.2bn affected by decreased expenses relating to cards.

Net result from items at fair value decreased DKK 0.2bn to DKK 0.2bn (DKK 0.4bn). The decrease is mainly related to NBD's own interest rate positions. The private equity and unlisted

equity portfolio continued to show strong performance.

Expenses

Total operating expenses increased by 5% to DKK 5.3bn (DKK 5.0bn). NBD continued to execute on the initial efficiency programme launched at the beginning of 2013. In addition, Nordea has launched an accelerated cost efficiency programme (ACE). The main initiatives driving these cost reductions are: Customer behaviour driven adaptations, e.g. distribution optimisation including reduced cash handling; In-sourcing of IT-services; Simplification actions, e.g. streamlining of product offering and centralised and improved processes; Off-shoring and automation; and Continued and reinforced tight cost management. Restructuring costs of DKK 0.3bn for the ACE programme are included in the first half of 2014.

Staff costs increased 5% to DKK 3.0bn (DKK 2.8bn). Excluding restructuring costs, staff costs decreased 3% mainly due to a refund of payroll tax, lower variable salary and a reduction in the number of full-time employees (FTEs). At the end of June 2014 the number of FTEs was 6,379 compared to 6,554 FTEs at the end of June 2013.

Other expenses increased 7% to DKK 2.1bn (DKK 2.0bn). Excluding restructuring costs, other expenses increased 4% mainly due to IT costs allocated from the centralised IT group function in NBAB.

Other operating expenses comprise NBD's share of losses of the winding-up and restructuring department of the Danish Deposit Guarantee Fund. The cost of the Danish bank packages has since 2008 totalled DKK 6bn.

The cost/income ratio decreased to 57% excluding the restructuring costs compared to 58% for the full year of 2013.

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 2014 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.

Net loan losses

Net loan losses decreased DKK 0.6bn to DKK 0.9bn (DKK 1.5bn). Net loan losses continued to decrease as expected, but remained at elevated levels in the first half of 2014. Net loan losses on individually assessed loans decreased to DKK 0.8bn (DKK 1.4bn), and losses on collectively assessed loans were unchanged at DKK 0.1bn (DKK 0.1bn).

The loan loss ratio was 29 bp (45 bp for the full year of 2013 and 49 bp in the first half of 2013).

Income tax expense

Income tax expense was DKK 0.6bn (DKK 0.4bn). The effective tax rate was 24% (18%).

In addition to corporation tax, payroll tax expenses in the first half of 2014 amounted to DKK 0.3bn (DKK 0.2bn). The payroll tax rate increased from 10.9% in 2013 to 11.4% in 2014. Moreover, NBD's general administrative expenses were negatively affected by DKK 0.1bn (DKK 0.1bn) as financial institutions cannot deduct VAT.

Net profit for the period

Net profit for the period increased DKK 2.0bn (DKK 1.9bn), corresponding to a return on equity in the first half of 2014 of 9.7% (10.1%).

Credit portfolio

Loans to the public increased 1% to DKK 604bn compared to the end of 2013. Lending to household customers increased DKK 3bn. Lending to corporate customers and the public sector were at the same level as the end of 2013.

Impaired loans, gross increased 1% to DKK 27.7bn compared to the end of 2013. Performing loans and non-performing loans accounted for 72% and 28%, respectively, of impaired loans, gross.

Impaired loans, net after allowances for individually assessed impaired loans amounted to DKK 18.3bn (end 2013: DKK 17.6bn), corresponding to 265 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

Also throughout the first half of 2014 the parent company NBD A/S complied with the requirements of the Supervisory Diamond introduced by the Danish Financial Supervisory Authority (FSA).

	30 Jun 2014	31 Dec 2013	30 Jun 2013
Large exposures (max 125%)	0	10	0
Lending growth (max 20%)	-7	-6	-10
Property exposure (max 25%)	8	8	8
Stable funding ratio (max 1)	0.64	0.68	0.69
Excess liquidity coverage (min 50%)	161	182	155

NBD A/S continues to have a strong funding position with a surplus of deposits. At 30 June 2014 the stable funding ratio excluding group internal subordinated loans and equity was 0.72 (0.82 at end-2013).

The excess liquidity coverage calculated in compliance with the Danish Financial Business Act was 161% (end 2013: 182%). The liquidity buffer primarily consisted of balances and certificates of deposit with the Danish central bank and high-grade liquid securities.

Capital adequacy

The risk exposure amount (REA), own funds and capital ratios are calculated according to the CRD IV/CRR. The CRR was valid from 1 January 2014 and the Danish Financial Business Act implementing the CRD IV was finalised during Q1 and entered into force from 31 March 2014. In addition, the Danish FSA has published rules for specific items, such as transitional rules and buffers. The minimum capital ratios for 2014 are the following:

- common equity tier 1 (CET1): 4.0%
- tier 1: 5.5%
- total capital ratio: 8.0%.

In NBD the transitional rules affected items in own funds and new items/deductions were included. The changes affected the tier 2 capital due to new eligibility criteria and the related transitional rules and the fact that amortisation has to be performed over a period of five years and not as previously three years. The CRD IV/CRR effect on REA was not significant. However, the discount in risk weights for exposure to small and medium size enterprises (SMEs) decreases the risk exposure amount.

In 2014 the capital conservation buffer, the countercyclical capital buffer and the SIFI buffer are all set to zero, but will be phased in until 2019.

NBD has a strong capital position, good profitability and thereby a solid foundation to meet future capital requirements.

At the end of June 2014 NBD's REA totaled DKK 272bn compared to risk-weighted assets of DKK 258bn at the end of 2013. The increase was mainly driven by the Danish FSA's approval of NBD's advanced internal ratings-based approach (IRB) for corporate exposure.

The tier 1 capital ratio was 14.4% (end 2013: 14.0%) and the total capital ratio was 19.6% (end 2013: 20.5%) including net profit for the period. The increase in the REA due to the IRB approach for corporate exposures and the termination of a subordinated loan of EUR 275m in May 2014 combined with the new transitional rules for tier 2 capital were the main reasons for the decrease in the total capital ratio compared to end 2013. The decrease was partly offset by the net profit for the period included in the tier 1 capital. The total impact of the CRD IV/CRR on the capital ratios was less significant.

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

Systemically important financial institutions (SIFI)

In June 2014 the Danish FSA announced that NBD is considered a SIFI in Denmark. NBD therefore has to apply a SIFI buffer from 2015. The SIFI buffer requirement is expected to be 2% in 2019 after full implementation.

Subsequent events

The sale of NBD's 20.7% stake in Nets Holding A/S to a consortium consisting of funds advised by Advent International, ATP and Bain Capital was completed 9 July 2014. Nets is an investment in an associated undertaking accounted for using the equity method. At 30 June 2014 the carrying amount of the investment in Nets DKK 0.7bn was recognised as "Assets held for sale". NBD's total proceeds of the divestment was approx. DKK 3.5bn leading to a tax-free capital gain of approx. DKK 2.8bn that will be recognised during the third quarter 2014 in Other income.

Changes to the Executive Management and the Board of Directors

The Executive Management and the Board of Directors of NBD were changed when CEO Anders Jensen and Chairman Peter Nyegaard left the Group in June 2014. Peter Lybecker was appointed CEO. Mads G. Jakobsen was appointed member of the Board of Directors at 16 July 2014. The Board of Directors appointed Mads G. Jakobsen as chairman.

After the change the Executive Management consists of Peter Lybecker and Jørgen Høholt. The Board of Directors consists of Mads G. Jakobsen, Torsten Hagen Jørgensen, Gunn Wærsted, Ari Kaperi and Anne Rømer.

Risks and uncertainties

For information on risks and uncertainties, see Note G9.

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 2014	Jan-Jun 2013	Full year 2013
Operating income				
Interest income		11,069	11,653	22,913
Interest expenses		-5,576	-5,748	-11,204
Net interest income		5,493	5,905	11,709
Fee and commission income		3,124	2,637	5,447
Fee and commission expenses		-240	-263	-530
Net fee and commission income	G2	2,884	2,374	4,917
Net result from items at fair value	G3	197	363	289
Profit from companies accounted for under the equity method		51	115	196
Other operating income		139	114	317
Total operating income		8,764	8,871	17,428
Operating expenses				
General administrative expenses:				
Staff costs		-2,957	-2,803	-5,573
Other expenses		-2,128	-1,984	-4,040
Depreciation, amortisation and impairment charges of tangible and intangible assets		-211	-201	-397
Other operating expenses		-2	-61	-62
Total operating expenses		-5,298	-5,049	-10,072
Profit before loan losses		3,466	3,822	7,356
Net loan losses	G4	-866	-1,481	-2,694
Operating profit		2,600	2,341	4,662
Income tax expenses		-625	-427	-998
Net profit for the period		1,975	1,914	3,664
Attributable to:				
Shareholder of Nordea Bank Danmark A/S		1,975	1,914	3,664
Non-controlling interests		-	-	-
Total		1,975	1,914	3,664

Statement of comprehensive income

DKKm	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Net profit for the period	1,975	1,914	3,664
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	-33	-2	-1
Available for sale investments:			
Valuation gains/losses during the period	-21	89	150
Tax on valuation gains/losses during the period	6	-22	-37
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	-8	-	-20
Tax on remeasurement of defined benefit plans	2	-	2
Other comprehensive income, net of tax	-54	65	94
Total comprehensive income	1,921	1,979	3,758
Attributable to:			
Shareholder of Nordea Bank Danmark A/S	1,921	1,979	3,758
Non-controlling interests	-	-	-
Total	1,921	1,979	3,758

Balance sheet, Group

DKKbn	Note	30 Jun 2014	31 Dec 2013	30 Jun 2013
Assets				
Cash and balances with central banks		4,830	15,859	21,673
Loans to central banks	G5	70,008	68,009	43,010
Loans to credit institutions	G5	6,515	11,525	9,930
Loans to the public	G5	604,171	600,863	603,255
Interest-bearing securities		72,139	77,749	62,353
Financial instruments pledged as collateral		114	550	2,447
Shares		28,757	29,348	27,885
Derivatives		268	543	746
Fair value changes of the hedged items in portfolio hedge of interest rate risk		337	282	343
Investments in associated undertakings		190	1,004	922
Intangible assets		2,666	2,768	2,845
Property and equipment		733	746	726
Investment property		117	121	123
Deferred tax assets		79	79	82
Current tax assets		-	-	3
Retirement benefit assets		124	126	138
Other assets		7,844	14,671	9,522
Prepaid expenses and accrued income		2,085	1,956	2,013
Assets held for sale		711	-	-
Total assets		801,688	826,200	788,016
Liabilities				
Deposits by credit institutions		50,239	111,944	100,785
Deposits and borrowings from the public		331,165	312,642	316,868
Debt securities in issue		330,884	305,468	283,561
Derivatives		3,498	2,171	1,358
Fair value changes of the hedged items in portfolio hedge of interest rate risk		74	85	151
Current tax liabilities		631	217	415
Other liabilities		19,382	27,572	20,496
Accrued expenses and prepaid income		7,401	6,155	6,110
Deferred tax liabilities		745	747	752
Provisions		612	269	382
Retirement benefit liabilities		11	16	17
Subordinated liabilities		16,030	18,089	18,088
Total liabilities		760,672	785,374	748,983
Equity				
Non-controlling interests		10	10	10
Share capital		5,000	5,000	5,000
Other reserves		168	222	187
Proposed dividends		-	1,750	-
Retained earnings		35,838	33,844	33,836
Total equity		41,016	40,826	39,033
Total liabilities and equity		801,688	826,200	788,016
Assets pledged as security for own liabilities		380,148	368,798	367,746
Other assets pledged		-	-	-
Contingent liabilities		28,314	27,674	27,211
Credit commitments ¹		172,862	175,266	160,765
Other commitments		-	-	-

¹ Including unutilised portion of approved overdraft facilities of DKK 133bn (31 Dec 2013: DKK 136bn, 30 Jun 2013: DKK 136bn).

Statement of changes in equity, Group

	Attributable to the shareholder of Nordea Bank Danmark A/S								
	Other reserves								
		Translation	Available-	Deferred				Non-	
DKKmn	Share capital ¹	of foreign operations	for-sale investments	benefit plans	Proposed dividends	Retained earnings	Total	controlling interests	Total equity
Balance at 1 Jan 2014	5,000	5	125	92	1,750	33,844	40,816	10	40,826
Total comprehensive income	-	-33	-15	-6	-	1,975	1,921	-	1,921
Share-based payments	-	-	-	-	-	19	19	-	19
Dividends paid	-	-	-	-	-1,750	-	-1,750	-	-1,750
Proposed dividends	-	-	-	-	-	-	-	-	-
Balance at 30 Jun 2014	5,000	-28	110	86	-	35,838	41,006	10	41,016
Balance at 1 Jan 2013	5,000	6	12	104	-	31,909	37,031	10	37,041
Total comprehensive income	-	-2	67	-	-	1,914	1,979	-	1,979
Share-based payments	-	-	-	-	-	13	13	-	13
Dividends paid	-	-	-	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-	-
Balance at 30 Jun 2013	5,000	4	79	104	-	33,836	39,023	10	39,033
Balance at 1 Jan 2013	5,000	6	12	104	-	31,909	37,031	10	37,041
Total comprehensive income	-	-1	113	-12	-	3,658	3,758	-	3,758
Share-based payments	-	-	-	-	-	27	27	-	27
Dividends paid	-	-	-	-	-	-	-	-	-
Proposed dividends	-	-	-	-	1,750	-1,750	-	-	-
Balance at 31 Dec 2013	5,000	5	125	92	1,750	33,844	40,816	10	40,826

¹ Total shares registered were 50 million (31 Dec 2013: 50 million, 30 Jun 2013: 50 million).

Cash flow statement, Condensed, Group

DKKmn	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Operating activities			
Operating profit	2,600	2,341	4,662
Adjustments for items not included in cash flow	1,437	1,859	3,212
Income taxes paid	-216	-269	-1,009
Cash flow from operating activities before changes in operating assets and liabilities	3,821	3,931	6,865
Changes in operating assets and liabilities	-12,810	-13,826	5,938
Cash flow from operating activities	-8,989	-9,895	12,803
Investing activities			
Associated undertakings	-28	-39	-39
Property and equipment	-71	-110	-206
Intangible assets	-25	-40	-83
Cash flow from investing activities	-124	-189	-328
Financing activities			
Issued/terminated subordinated liabilities	-2,059	-5	-4
Dividend paid	-1,750	-	-
Cash flow from financing activities	-3,809	-5	-4
Cash flow for the period	-12,922	-10,089	12,471
Cash and cash equivalents at the beginning of the period	90,404	77,933	77,933
Cash and cash equivalents at the end of the period	77,482	67,844	90,404
Change	-12,922	-10,089	12,471

Cash and cash equivalents

The following items are included in cash and cash equivalents:

DKKmn	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Cash and balances with central banks	72,343	64,672	83,750
Loans to credit institutions, payable on demand	5,139	3,172	6,654
Total	77,482	67,844	90,404

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.

Notes to the financial statements, Group

Note G1 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 2013.

The new standard IFRS 10 'Consolidated Financial Statements' was implemented on 1 January 2014 but has not had any significant impact on the financial statements.

The presentation of liabilities and corresponding assets in pooled schemes is changed as described below.

Pooled schemes

NBD applies the fair value option on pooled schemes and thereby measures the liabilities and the corresponding assets at fair value through profit or loss.

In the interim financial statements for the first half of 2014 the pool scheme liabilities and assets have been presented as 'Designated at fair value through profit or loss'. Previously the pool scheme liabilities were presented as 'Other financial liabilities' and the corresponding assets as 'Held for trading'. The comparable figures have been changed. The change in the presentation has no impact on the income statement, balance sheet or equity.

Impact on capital adequacy from new or amended IFRS standards

IFRS 9 "Financial Instruments" covering classification and measurement (Phase I) and general hedging (Phase III) has been adopted by the IASB but has not yet been implemented by NBD.

The changes in classification and measurement (Phase I) are not expected to have a significant impact on NBD's income statement or balance sheet as the mixed measurement model will be maintained. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy or large exposures are not expected, but this is naturally dependent on the financial instruments on NBD's balance sheet at transition and the outcome of the final standard. It is expected that changes will be made to the standard before the standard becomes effective.

The main change to the general hedging requirements (Phase III) is that the standard aligns hedge accounting more closely with the risk management activities. As NBD generally only uses macro (portfolio) hedge accounting NBD's assessment is that the new requirements will not have any significant impact on NBD's financial statements, capital adequacy or large exposures.

The IASB has also adopted IFRS 15 "Revenue from Contracts with Customers". The new standard has not yet been implemented by NBD. It is not expected that the standard will have any significant impact on NBD's financial statements, capital adequacy or large exposures.

Notes to the financial statements, Group

Note G2 Net fee and commission income

DKKm	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Asset management commissions	718	610	1,277
Life insurance	12	12	23
Brokerage, securities issues and corporate finance	1,102	915	1,834
Custody and issuer services	190	88	234
Deposits	14	14	30
Total savings and investments	2,036	1,639	3,398
Payments	211	208	417
Cards	186	169	341
Total payments and cards	397	377	758
Lending	343	316	639
Guarantees and documentary payments	163	166	328
Total lending related to commissions	506	482	967
Other commission income	185	139	324
Fee and commission income	3,124	2,637	5,447
Savings and investments	-84	-65	-124
Payments	-62	-72	-143
Cards	-55	-86	-176
Other commission expenses	-39	-40	-87
Fee and commission expense	-240	-263	-530
Net fee and commission income	2,884	2,374	4,917

Note G3 Net result from items at fair value

DKKm	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Shares/participations and other share-related instruments	1,133	984	2,333
Interest-bearing securities and other interest-related instruments	-201	-265	-710
Other financial instruments	-705	-380	-1,374
Foreign exchange gains/losses	-28	22	35
Investment properties	-2	2	5
Total	197	363	289

Note G4 Net loan losses

DKKm	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Loan losses divided by class			
Loans to credit institutions	0	0	0
Loans to the public	-776	-1,636	-2,826
- of which provisions	-1,909	-2,600	-4,975
- of which write-offs	-1,278	-935	-2,476
- of which allowances used for covering write-offs	1,060	748	2,088
- of which reversals	1,271	1,070	2,374
- of which recoveries	80	81	163
Off-balance sheet items ¹	-90	155	132
Total	-866	-1,481	-2,694

¹ Included in Provisions in the balance sheet.

Notes to the financial statements, Group

Note G5 Loans and impairment

DKKm	Central banks and credit institutions ²			The public			Total		
	30 Jun 2014	31 Dec 2013	30 Jun 2013	30 Jun 2014	31 Dec 2013	30 Jun 2013	30 Jun 2014	31 Dec 2013	30 Jun 2013
Loans, not impaired	76,523	79,534	52,940	586,929	584,327	586,203	663,452	663,861	639,143
Impaired loans:	-	-	-	27,716	27,431	28,262	27,716	27,431	28,262
- Performing	-	-	-	19,820	18,610	18,259	19,920	18,610	18,259
- Non-performing	-	-	-	7,796	8,821	10,003	7,796	8,821	10,003
Loans before allowances	76,523	79,534	52,940	614,645	611,758	614,465	691,168	691,292	667,405
Allowances for individually assessed impaired loans	-	-	-	-9,375	-9,834	-10,264	-9,375	-9,834	-10,264
- Performing	-	-	-	-6,287	-6,083	-6,103	-6,287	-6,083	-6,103
- Non-performing	-	-	-	-3,088	-3,751	-4,161	-3,088	-3,751	-4,161
Allowances for collectively assessed impaired loans	0	0	0	-1,099	-1,061	-946	-1,099	-1,061	-946
Allowances	0	0	0	-10,474	-10,895	-11,210	-10,474	-10,895	-11,210
Loans, carrying amount	76,523	79,534	52,940	604,171	600,863	603,255	680,694	680,397	656,195

Allowances and provisions

DKKm	30 Jun 2014	31 Dec 2013	30 Jun 2013
Allowances for items in the balance sheet	-10,474	-10,895	-11,210
Provisions for off-balance sheet items	-282	-171	-240
Total allowances and provisions	-10,756	-11,066	-11,450

Key ratios (basis points)¹

Impairment rate, gross	401.0	396.8	423.5
Impairment rate, net	265.4	254.6	269.7
Total allowance rate	151.5	157.6	168.0
Allowances in relation to impaired loans, %	33.8	35.8	36.3
Total allowances in relation to impaired loans, %	37.8	39.7	39.7
Non-performing loans, not impaired, DKKm	1,068	1,795	1,397

¹ For definitions, see Business definitions on page 20.

² Consists of loans to central banks of DKK 70,008m (DKK 68,009m at 31 December 2013 and DKK 43,010m at 30 June 2013) and loans to credit institutions of DKK 6,515m (DKK 11,525m at 31 December 2013 and DKK 9,930m at 30 June 2013).

Notes to the financial statements, Group

Note G6

Classification of financial instruments

DKKmn	Loans and receivables	Held to maturity	Financial assets at fair value through profit or loss		Derivatives used for hedging	Available for sale	Total
			Held for trading	Designated at fair value through profit or loss			
Financial assets							
Cash and demand balances with central banks	4,830	-	-	-	-	-	4,830
Loans to credit institutions and central banks	73,159	-	2,999	365	-	-	76,523
Loans to the public	222,936	-	-	381,235	-	-	604,171
Interest-bearing securities	-	-	17,218	11,809	-	43,112	72,139
Financial instruments pledged as collateral	-	-	114	-	-	-	114
Shares	-	-	11,687	17,070	-	-	28,757
Derivatives	-	-	155	-	113	-	268
Fair value changes of the hedged items in portfolio hedge of interest rate risk	337	-	-	-	-	-	337
Other assets	7,844	-	-	-	-	-	7,844
Prepaid expenses and accrued income	1,426	-	540	119	-	-	2,085
Total 30 Jun 2014	310,532	-	32,713	410,598	113	43,112	797,068
Total 31 Dec 2013 ¹	338,485	-	38,340	398,502	297	45,732	821,356
Total 30 Jun 2013 ¹	317,606	-	33,081	394,042	375	38,073	783,177

	Financial liabilities at fair value through profit or loss				
	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
DKKmn					
Financial liabilities					
Deposits by credit institutions	1,282	4,077	-	44,880	50,239
Deposits and borrowings from the public	-	69,108	-	262,057	331,165
Debt securities in issue	-	330,884	-	-	330,884
Derivatives	2,459	-	1,039	-	3,498
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	74	74
Other liabilities	394	-	-	15,660	16,054
Accrued expenses and prepaid income	2	2,927	-	2,401	5,330
Subordinated liabilities	-	-	-	16,030	16,030
Total 30 Jun 2014	4,137	406,996	1,039	341,102	753,274
Total 31 Dec 2013 ¹	4,507	382,049	470	392,616	779,642
Total 30 Jun 2013 ¹	5,373	366,816	423	371,817	744,429

¹ The comparative figures have been restated to reflect a correction of the classification of liabilities linked to the development of assets in pooled schemes. The deposits have been moved from "Other financial liabilities" to "Designated at fair value through profit or loss". Corresponding assets of DKK 28.8bn (31 Dec 2013: DKK 28.4bn, 30 Jun 2013: DKK 26.9bn) have been moved from "Held for trading" to "Designated at fair value through profit or loss". There was no impact on the carrying amounts.

Notes to the financial statements, Group

Note G7

Financial assets and liabilities held at fair value on the balance sheet

Categorisation into the fair value hierarchy

30 Jun 2014, 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
Assets at fair value on the balance sheet¹				
Loans to central banks and credit institutions	-	3,364	-	3,364
Loans to the public	-	381,235	-	381,235
Interest-bearing securities	50,372	21,730	37	72,139
Financial instruments pledged as collateral	114	-	-	114
Shares	25,119	-	3,638	28,757
Derivatives	-	268	-	268
Prepaid expenses and accrued income	119	540	-	659
Total 30 Jun 2014	75,724	407,137	3,675	486,536
Total 31 Dec 2013	81,798	397,186	3,887	482,871
Financial liabilities¹				
Deposits by credit institutions	-	5,359	-	5,359
Deposits and borrowings from the public	-	45,351	-	45,351
Debt securities in issue	330,884	-	-	330,884
Derivatives	-	3,498	-	3,498
Other liabilities	394	-	-	394
Accrued expenses and prepaid income	-	2,929	-	2,929
Total 30 Jun 2014	331,278	57,137	-	388,415
Total 31 Dec 2013	338,782	48,244	-	387,026

¹ All items are measured at fair value on a recurring basis at the end of each reporting period.

Determination of fair values for items measured at fair value on the balance sheet

For information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2013, Note G38 "Assets and liabilities at fair value".

Determination of fair values for items not measured at fair value on the balance sheet

For information about fair value for items not measured at fair value on the balance sheet, see the Annual report 2013, Note G38 "Assets and liabilities at fair value".

Transfers between Level 1 and 2

During the first half of 2014 NBD transferred interest-bearing securities (including financial instruments pledged as collateral) of DKK 3,008m from Level 1 to Level 2 and DKK 1,102m 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 of shares in Level 3

Movements of shares in Level 5								
		Fair value gains/losses included in the income statement during the period						
DKKmn	1 Jan 2014	Realised	Unrealised	Purchases	Sales	Settlements	Translation differences	30 Jun 2014
Shares	3,829	365	-94	190	-647	18	-23	3,638

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. During the period NBD transferred shares of DKK 0m from Level 3 to Level 2. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value".

Notes to the financial statements, Group

Note G7

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

The valuation processes for fair value measurements in Level 3 Shares

For information about valuation processes for fair value measurement in level 3 Shares, see the Annual report 2013 Note G38 "Assets and liabilities at fair value".

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

30 Jun 2014, DKKm	Fair value	Valuation techniques
Shares		
Private equity funds	1,764	Net asset value ¹
Hedge funds	895	Net asset value ¹
Credit Funds	606	Net asset value/market consensus ¹
Other funds	161	Net asset value/fund prices ¹
Other	212	-
Total 30 Jun 2014	3,638	
Total 31 Dec 2013	3,829	

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. For private equity funds 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 -10% to +6% compared to the values received from suppliers/custodians.

In order to calculate the sensitivity (range) in fair value of shares the fair value was increased and decreased within a range of 5-10 percentage units which are assessed to be reasonable changes in market movements. For more information see the Annual Report 2013, Note 38 "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 2013, Note G1 "Accounting policies".

At 30 Jun 2014 deferred Day-1 profit amounted to DKK 0m (DKK 0m).

Notes to the financial statements, Group

Note G8 Capital adequacy

Own funds			
DKKmn	30 Jun 2014	31 Dec 2013	30 Jun 2013
Common Equity Tier 1 capital including profit for the period	38,990	36,064	35,932
Tier 1 capital, including profit for the period	38,990	36,064	35,932
Total capital base, including profit for the period	53,262	52,896	52,760
Common Equity Tier 1 capital excluding profit for the period	37,016	36,064	34,018
Tier 1 capital, excluding profit for the period	37,016	36,064	34,018
Total capital base, excluding profit for the period	51,287	52,896	50,846
Calculation of own funds			
DKKmn	30 Jun 2014	31 Dec 2013	30 Jun 2013
Equity including profit for the period ¹	41,006	40,826	39,033
Pro rata consolidated undertaking	1,255	1,255	1,255
Fair value adjustment of owner occupied property	20	20	20
Equity reported to the Danish FSA	42,281	42,101	40,308
Proposed/actual dividend	-	-1,750	-
Deferred tax assets	-	-79	-82
Intangible assets	-2,666	-2,768	-2,845
IRB provisions shortfall (-) ²	-236	-1,277	-1,279
Pension assets in excess of related liabilities ³	-28	-138	-146
Transferred to Tier 2 capital	-	-20	-20
Other items, net	-361	-5	-5
Common Equity Tier 1 capital (net after deduction)	38,990	36,064	35,932
Additional Tier 1 instruments	-	-	-
Tier 1 capital (net after deduction)	38,990	36,064	35,932
Tier 2 instruments	14,429	18,109	18,108
IRB provisions excess (+)/shortfall (-) ²	-158	-1,277	-1,279
Other items, net	-	-	-
Own funds (net after deduction)	53,262	52,896	52,760

¹ Excluding non-controlling interests at 30 Jun 2014.

² Shortfall is now deducted 60% T1 and 40% T2, previously 50% T1, 50% T2.

³ Based on conditional FSA approval.

Notes to the financial statements, Group

Note G8 Capital adequacy (cont.)

	30 Jun 2014	30 Jun 2014	31 Dec 2013	31 Dec 2013	30 Jun 2013	30 Jun 2013
	Minimum Capital requirement	REA	Minimum Capital requirement	REA	Minimum Capital requirement	REA
DKKmn						
Credit risk	18,955	236,943	17,709	221,359	18,101	226,259
IRB	17,563	219,543	16,430	205,372	16,852	210,658
- of which corporate	11,542	144,279	10,657	133,214	10,822	135,280
- of which advanced	10,994	137,426	-	-	-	-
- of which advanced	548	6,853	10,657	133,214	10,822	135,280
- of which institutions	461	5,760	340	4,249	370	4,623
- of which retail	5,345	66,813	5,268	65,848	5,439	67,990
- of which other	215	2,691	165	2,061	221	2,765
Standardised	1,392	17,400	1,279	15,987	1,249	15,601
- of which sovereign	43	534	31	391	38	471
- of which retail	481	6,008	383	4,788	349	4,357
- of which other	868	10,858	865	10,808	862	10,773
Credit Value Adjustment Risk	2	23	-	-	-	-
Market risk	383	4,796	515	6,437	424	5,302
- of which trading book, Internal Approach	81	1,030	301	3,765	187	2,338
- of which trading book, Standardised Approach	199	2,484	214	2,672	237	2,964
- of which banking book, Standardised Approach	103	1,282	-	-	-	-
Operational risk	2,393	29,907	2,401	30,019	2,402	30,019
Standardised	2,393	29,907	2,401	30,019	2,402	30,019
Sub total	21,733	271,669	20,625	257,815	20,927	261,579
Adjustment for Basel I floor						
Additional capital requirement	8,584	107,296	10,320	128,993	9,753	121,918
Total	30,317	378,965	30,945	386,808	30,680	383,497

Minimum Capital Requirement & Buffers

	Minimum Capital requirements	Buffers				Total
Pct., 30 Jun 2014		CCB	CCCB	SIFI	SRB	
Common Equity Tier 1 capital	4.0	N/A	N/A	N/A	N/A	4.0
Tier 1 capital	5.5	N/A	N/A	N/A	N/A	5.5
Own funds	8.0	N/A	N/A	N/A	N/A	8.0

DKKmn, 30 Jun 2014

Common Equity Tier 1 capital	10,867	10,867
Tier 1 capital	14,942	14,942
Own funds	21,733	21,733

Notes to the financial statements, Group

Note G8 Capital adequacy (cont.)

Capital ratios	30 Jun 2014	31 Dec 2013	30 Jun 2013
Pct.			
Common Equity Tier 1 capital ratio, incl profit for the period	14.4	14.0	13.7
Common Equity Tier 1 capital ratio, excl profit for the period	13.6	14.0	13.0
Tier 1 ratio, %, incl profit for the period	14.4	14.0	13.7
Tier 1 ratio, %, excl profit for the period	13.6	14.0	13.0
Total capital ratio, %, incl profit for the period	19.6	20.5	20.2
Total capital ratio, %, excl profit for the period	18.9	20.5	19.4

Note G9 Risks and uncertainties

NBD's revenue base reflects NBD'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. For further information on risk composition, see the Annual Report.

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 NBD or its financial position in the medium term.

Within the framework of the normal business operations, NBD 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 NBD or its financial position in the next six months.

Business definitions

These definitions apply to the descriptions in the interim Report.

Return on equity

Net profit for the period annualised 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 Tier 1 capital of an institution consists of the sum of the Common Equity Tier 1 capital and Additional Tier 1 capital of the institution. Common equity Tier 1 includes consolidated shareholders' equity excluding proposed dividend, deferred taxes, intangible assets, 60% expected shortfall deduction (the negative difference between expected losses and provisions) and finally other deductions such as other comprehensive income on available for sale investments.

Own funds

Own funds consists of the sum of the Tier 1 capital and Tier 2 capital consisting of subordinated loans excluding 40% of the expected shortfall deduction.

Risk exposure amount

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 own funds.

Common Equity Tier 1 capital ratio

Common Equity Tier 1 capital as a percentage of risk exposure amount.

Tier 1 capital ratio

Tier 1 capital as a percentage of the risk exposure amount.

Total capital ratio

Own funds as a percentage of the risk exposure amount.

Loan loss ratio

Net loan losses (annualised) divided by closing 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

Past due 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

DKKmn	Note	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Interest income		5,051	5,474	10,732
Interest expenses		-1,485	-1,696	-3,109
Net interest income		3,566	3,778	7,623
Dividends on shares etc		352	684	746
Fee and commission income		3,392	2,866	5,933
Fees and commissions paid		-204	-225	-450
Net interest and fee income		7,106	7,103	13,851
Value adjustments	P2	-162	141	383
Other operating income		138	116	313
Staff and administrative expenses		-4,896	-4,603	-9,236
Amortisation and depreciation as well as impairment losses on tangible and intangible assets		-206	-194	-384
Other operating costs		-2	-61	-62
Impairment losses on loans and guarantees etc		-620	-1,237	-2,252
Profit from equity investments in associates and group undertakings		942	923	1,753
Profit before tax		2,300	2,188	4,366
Tax		-340	-208	-589
Net profit for the period		1,960	1,980	3,777

Statement of comprehensive income

DKKmn	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Net profit for the period	1,960	1,980	3,777
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	-33	-2	-1
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	-8	-	-20
Tax on remeasurement of defined benefit plans	2	-	2
Other comprehensive income, net of tax	-39	-2	-19
Total comprehensive income	1,921	1,978	3,758

Balance sheet, parent company

DKKm	Note	30 Jun 2014	31 Dec 2013	30 Jun 2013
Assets				
Cash in hand and demand deposits with central banks		4,829	15,609	21,423
Receivables from credit institutions and central banks		101,339	127,495	83,316
Loans and other receivables at fair value		-	-	5,972
Loans and other receivables at amortised cost		227,411	236,780	237,840
Bonds at fair value		115,184	119,308	138,966
Shares etc		11,778	12,272	11,327
Equity investments in associates		167	978	901
Equity investments in group undertakings		28,600	27,968	27,465
Assets linked to pooled schemes		30,685	30,169	30,207
Intangible assets		2,634	2,738	2,813
Total land and buildings		30	32	33
Owner-occupied properties		30	32	33
Other tangible assets		440	449	427
Current tax assets		-	14	-
Assets held temporarily		758	57	60
Other tangible assets		9,416	16,383	11,535
Prepaid expenses and accrued income		940	643	796
Total assets		534,211	590,895	573,081
Equity and liabilities				
Debt				
Debt to credit institutions and central banks		52,820	113,067	98,173
Deposits and other debt		308,260	289,459	294,803
Deposits with pooled schemes		32,143	32,089	31,669
Other non-derivative financial liabilities at fair value		52,763	52,950	63,939
Current tax liabilities		407	199	251
Other liabilities		28,962	42,652	25,495
Accrued expenses and prepaid income		23	65	63
Total debts		475,378	530,481	514,393
Provisions				
Provisions for pensions and similar liabilities		10	16	17
Provisions for deferred tax		329	331	277
Provisions for losses on guarantees		1,090	1,046	1,026
Other provisions		348	97	237
Total provisions		1,777	1,490	1,557
Subordinated debt				
Subordinated debt		16,030	18,089	18,088
Equity				
Share capital		5,000	5,000	5,000
Accumulated value changes		-8	25	24
Reserve for net revaluation under the equity method		12,284	11,750	11,200
Retained earnings		23,750	22,310	22,819
Proposed dividend		-	1,750	-
Total equity		41,026	40,835	39,043
Total equity and liabilities		534,211	590,895	573,081

Statement of changes in equity, parent company

DKKmn	Accumulated value changes			Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total equity
	Share capital	Translation of foreign operations	Revaluation reserves				
Balance at 1 Jan 2014	5,000	5	20	11,750	22,310	1,750	40,835
Profit for the period	-	-	-	534	1,426	-	1,960
Other comprehensive income, net of tax	-	-33	-	-	-6	-	-39
Share-based payments	-	-	-	-	19	-	19
Dividend paid	-	-	-	-	-	-1,750	-1,750
Proposed dividend	-	-	-	-	-	-	-
Balance at 30 Jun 2014	5,000	-28	20	12,284	23,750	-	41,026
Balance at 1 Jan 2013	5,000	6	20	10,614	21,410	-	37,050
Net profit for the year	-	-	-	1,136	2,641	-	3,777
Other comprehensive income, net of tax	-	-1	-	-	-18	-	-19
Share-based payments	-	-	-	-	27	-	27
Dividend paid	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-1,750	1,750	-
Balance at 31 Dec 2013	5,000	5	20	11,750	22,310	1,750	40,835
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, net of tax	-	-2	-	-	-	-	-2
Share-based payments	-	-	-	-	15	-	15
Dividend paid	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-
Balance at 30 Jun 2013	5,000	4	20	11,200	22,819	-	39,043

Notes to the financial statements, parent company

Note P1 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 2013.

The presentation of liabilities and corresponding assets in pooled schemes is changed as described in note G1.

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:

DKK m	Net profit for the period			Equity		
	Jan-Jun 2014	Jan-Jun 2013	Full year 2013	30 Jun 2014	31 Dec 2013	30 Jun 2013
Group according to IFRS	1,975	1,914	3,664	41,016	40,826	39,033
Differences between IFRS and FSA Executive Order:						
- Fair value adjustment of owner-occupied properties	-	-	-	20	20	20
- Financial assets available for sale	-21	89	150	-	-	-
- Tax effect	6	-22	-37	-	-	-
- Non-controlling interests ¹	-	-	-	1,255	1,255	1,255
Group prepared according to FSA Executive Order	1,960	1,980	3,777	42,291	42,100	40,308
Non-controlling interests	-	-	-	1,265	1,265	1,265
Parent company prepared according to FSA Executive Order	1,960	1,980	3,777	41,026	40,835	39,043

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

Notes to the financial statements, parent company

Note P2 Value adjustments

DKKm	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Other loans and receivables at fair value	-1	0	0
Bonds	83	107	46
Shares etc.	707	428	1,585
Currency	-16	49	65
Derivatives	-941	-456	-1,326
Assets linked to pooled schemes	1,619	385	1,869
Deposits with portfolio schemes	-1,619	-385	-1,869
Other liabilities	6	13	13
Total value adjustments	-162	141	383

Note P3 Impairment losses on loans and guarantees etc

DKKm	Loans and guarantees, individual impairment losses	Loans and guarantees, group impairment losses	Other receivables, individual impairment losses	Other receivables, group impairment losses	Total
Balance at 1 Jan 2014	9,394	973	8	-	10,375
Impairment losses during the period	984	131	4	-	1,119
Reversal of impairment losses effected in previous financial periods	-485	-130	-4	-	-619
Finally lost, previously individually written down	-823	-	-	-	-823
Other changes	-	-	-	-	-
Balance at 30 Jun 2014	9,070	974	8	-	10,052
Balance at 1 Jan 2013	9,140	789	20	-	9,949
Impairment losses during the period	2,564	247	-	-	2,811
Reversal of impairment losses effected in previous financial periods	-699	-63	-12	-	-774
Finally lost, previously individually written down	-1,566	-	-	-	-1,566
Other changes	-45	-	-	-	-45
Balance at 31 Dec 2013	9,394	973	8	-	10,375
Balance at 1 Jan 2013	9,140	789	20	-	9,949
Impairment losses during the period	1,474	195	-	-	1,669
Reversal of impairment losses effected in previous financial periods	-408	-115	-8	-	-531
Finally lost, previously individually written down	-510	-	-	-	-510
Other changes	-	-	-	-	-
Balance at 30 Jun 2013	9,696	869	12	-	10,577

Notes to the financial statements, parent company

Note P4 Financial ratios

	Jan-Jun 2014	Jan-Jun 2013	Full year 2013
Total capital ratio	19.7	20.8	21.6
Common Equity Tier 1 capital ratio	14.1	13.6	14.5
Return on equity before tax (%)	5.6	5.8	11.2
Return on equity after tax (%)	4.8	5.2	9.7
Ratio of operating income relative to operating expenses	1.4	1.4	1.4
Interest-rate risk	-0.2	0.8	0.1
Loans relative to deposits	69.4	77.6	76.5
Excess liquidity in relation to statutory requirements for liquidity	161.2	155.1	182.4
Write down ratio	2.7	2.8	2.7
Write down ratio for the period	0.2	0.3	0.6
Growth in loans for the period (%)	-4.0	-3.0	-5.8
Loans relative to equity	5.5	6.2	5.8
Return on assets calculated as net profit for the period as a percentage of total assets	0.7	0.7	0.6

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 Firms etc.

Note P5 Activities country-by-country

	Nature of activities	Turnover DKKkm, Jan-Jun 2014	Number of employees on a full time equivalent basis
Domestic	Banking, asset management and real estate funding	14,332	6,379
Non-domestic	-	-	-

Disclosures of activities country-by-country are on a consolidated basis in accordance with the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. section 150 (7).

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 2014.

The Interim Report January-June 2014 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 2014 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 2014.

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 2014

Board of Directors

Mads G. Jakobsen (Chairman)

Torsten Hagen Jørgensen

Gunn Wærsted

Ari Kaperi

Anne Rømer

Executive Management

Peter Lybecker (CEO)

Jørgen Høholt

Nordea Bank Danmark A/S
Bus reg no 13522197 Copenhagen
Strandgade 3, PO Box 850, DK-0900 Copenhagen C
Tel +45 33 33 33 33
Fax +45 33 33 63 63
nordea.dk