



Interim Report January-June 2015

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 650 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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Key financial figures, Group

Income statement (DKKm)	Jan-Jun 2015	Jan-Jun 2014	Change %
Net interest income	5,124	5,493	-7
Net fee and commission income	3,117	2,884	8
Net result from items at fair value	126	197	-36
Equity method	53	51	4
Other operating income	229	139	-
Total operating income	8,649	8,764	-1
Staff costs	-2,853	-2,957	-4
Other expenses	-2,012	-2,128	-5
Depreciation of tangible and intangible assets	-129	-211	-39
Other operating expenses	-	-2	-
Total operating expenses	-4,994	-5,298	-6
Profit before loan losses	3,655	3,466	5
Net loan losses	-623	-866	-28
Operating profit	3,032	2,600	17
Income tax expense	-715	-625	14
Net profit for the period	2,317	1,975	17

Business volumes, key items (DKKbn)	30 Jun 2015	31 Dec 2014	Change %	30 Jun 2014	Change %
Loans to the public	604	607	0	604	0
Deposits and borrowings from the public	285	287	-1	299	-5
Equity	41	45	-8	41	1
Total assets	807	817	-1	802	1

Ratios and key figures	Jan-Jun 2015	Jan-Jun 2014
Return on equity, %	10.8	9.7
Cost/income ratio, %	58	60
Loan loss ratio, basis points	21	29
Common Equity Tier 1 capital ratio, excl. Basel I floor, % ^{1,2}	15.9	14.4
Tier 1 capital ratio, excl. Basel I floor, % ^{1,2}	15.9	14.4
Total capital ratio, excl. Basel I floor, % ^{1,2}	19.6	19.6
Tier 1 capital, DKKbn ^{1,2}	41	39
Tier 1 capital ratio, excl. profit and excl. Basel I floor	15.0	13.6
Total capital ratio, excl. profit and excl. Basel I floor	18.7	18.9
Risk exposure amount, excl. Basel I floor, DKKbn	256	272
Number of employees (full-time equivalents)	6,312	6,379

¹ End of period.

² Including the result for the period.

Nordea Bank Danmark Group

Directors' report

Results summary January-June 2015

NBD's operating profit increased 17% to DKK 3.0bn (DKK 2.6bn) (the comparative figures in brackets refer to the first half of 2014). Total operating income was down by 1% to DKK 8.6bn (DKK 8.8bn). Total operating expenses decreased 6% to DKK 5.0bn (DKK 5.3bn). Loan losses decreased to DKK 0.6bn (DKK 0.9bn). Net profit for the period increased 17% to DKK 2.3bn (DKK 2.0bn).

NBD has been successful in capturing business opportunities which contributed to maintaining high revenues. The first half-year was characterised by exceptionally low interest rates which put pressure on interest margins, but the low interest rates also resulted in high mortgage refinancing activity and had a positive effect on NBD's own interest rate positions.

Nordea continuously invest in new digital solutions. So far in 2015 Nordea has introduced a new online investment tool, Nordea Investor, and a daily banking app for corporate customers.

Income

Total operating income decreased to DKK 8.6bn (DKK 8.8bn) mainly affected by lower net interest income.

Net interest income decreased 7% to DKK 5.1bn (DKK 5.5bn) due to lower net interest income in the business areas. The negative interest rate of 75 bp (2014 positive interest rate of 5 bp) on certificates of deposit with the Danish central bank put additional pressure on deposit margins for both corporate and household customers. Loans to the public were DKK 604bn (DKK 604bn). Deposits from the public decreased 5% to DKK 285bn (DKK 299bn).

Net fee and commission income increased 8% to DKK 3.1bn (DKK 2.9bn). Savings-related commissions increased 9% to DKK 2.2bn mainly due

to higher brokerage and asset management commissions following high activity. Lending-related commissions increased 22% to DKK 0.6bn as customers to a high degree utilised the low interest rate level to refinance their mortgage loans to longer-term fixed rate loans.

The net result from items at fair value decreased to DKK 0.1bn (DKK 0.2bn). The first half of 2015 was negatively affected by DKK 0.2bn from a non-recurring fair value change of the mortgage portfolio due to negative interest rates. NBD's own interest rate positions were positively affected by the decline in interest rates and gains in equities primarily from exits and revaluations in the private equity portfolio.

Expenses

Total operating expenses decreased to DKK 5.0bn (DKK 5.3bn). Excluding non-recurring items in 2014 total operating expenses were largely unchanged.

Staff costs decreased to DKK 2.9bn (DKK 3.0bn). Excluding non-recurring restructuring costs of DKK 0.2bn in the first half of 2014, staff costs increased mainly due to higher performance-related expenses following the high activity. Payroll taxes increased affected by the increase in the payroll tax rate from 11.4% in 2014 to 12.2% in 2015. At the end of June 2015 the number of FTEs was down to 6,312 compared to 6,379 FTEs at the end of June 2014.

Other expenses decreased to DKK 2.0bn (DKK 2.1bn). IT costs were slightly up affected by strategic investments in new digital solutions etc while other cost items in general were down.

The cost/income ratio increased to 58% compared to 57% (61% excluding non-recurring items) for the full year of 2014.

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 0.3bn to DKK 0.6bn (DKK 0.9bn). Net loan losses on individually assessed loans decreased to DKK 0.5bn (DKK 0.8bn), and loan losses on collectively assessed loans were unchanged at DKK 0.1bn (DKK 0.1bn).

The loan loss ratio decreased to 21 bp (30 bp for the full year of 2014 and 29 bp in the first half of 2014).

Income tax expense

Income tax expense was DKK 0.7bn (DKK 0.6bn). The effective tax rate was 24% (24%).

In addition to corporation tax, payroll tax expenses in the first half of 2015 amounted to DKK 0.3bn (DKK 0.3bn). Moreover, NBD's general administrative expenses were negatively affected by DKK 0.2bn (DKK 0.1bn) as financial institutions cannot deduct VAT.

Net profit for the period

Net profit for the period increased to DKK 2.3bn (DKK 2.0bn), corresponding to a return on equity in the first half of 2015 of 10.8% (9.7%).

Credit portfolio

Loans to the public decreased by DKK 3bn to DKK 604bn compared to the end of 2014 (DKK 607bn) primarily related to household customers and the public sector.

Impaired loans, gross were DKK 26.4bn and at the same level as at the end of 2014. 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 17.6bn (end 2014: DKK 18.2bn), corresponding to 261 bp of total lending.

Supervisory Diamond

Also throughout the first half of 2015 the parent company NBD A/S complied with the requirements of the Supervisory Diamond introduced by the Danish Financial Supervisory Authority (FSA).

	30 Jun 2015	31 Dec 2014	30 Jun 2014
Large exposures (max 125%)	10	11	0
Lending growth (max 20%)	-1	-5	-7
Real estate exposure (max 25%)	8	8	8
Stable funding ratio (max 1)	0.68	0.64	0.64
Liquidity excess coverage (min 50%)	163	136	161

NBD A/S continues to have a strong funding position with a surplus of deposits. At 30 June 2015 the stable funding ratio excluding group internal subordinated loans and equity was 0.76 (0.76 at end-2014).

The liquidity excess coverage at 30 June 2015 was 163% (end 2014: 136%). The liquidity buffer primarily consisted of demand accounts and certificates of deposit with the Danish central bank and high-grade liquid securities.

The Danish FSA has changed the requirement for the large exposure key point from 1 January 2018. The large exposure key point should include the 20 largest exposures after all relevant deductions, which should be below 175% of the common equity tier 1 capital. NBD complied with the changed requirements throughout the first half of 2015.

Capital adequacy

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

At the end of June 2015 NBD's risk exposure amounts (REA) excluding Basel I floor totaled DKK 256bn (end 2014: DKK 255bn). The increase in market risk and IRB Retail portfolio was somewhat countered by a decrease in IRB corporate portfolio.

The tier 1 capital ratio including profit for the period was 15.9% (end 2014: 14.8%) and the total capital ratio including profit for the period was 19.6% (end 2014: 19.5%). Profit generation over the period and reduced capital deductions where the main reason for this increase in the two capital ratios. Total capital ratio was stable as the increase in tier 1 capital was countered by a decrease in the tier 2 capital due to the termination of a subordinated loan.

The Tier 1 capital ratio excluding profit for the period was 15.0% (end 2014: 14.8%) and the total capital ratio excluding profit for the period was 18.7% (end 2014: 19.4%).

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)

On 26 June 2015 the Danish FSA announced that NBD is still considered to be a SIFI in Denmark. NBD therefore has to apply a Systemic Risk Buffer (SRB). This is relevant for the NBD Group as well as for the parent company NBD and the subsidiary Nordea Kredit Realkreditaktieselskab. The SRB requirement is 2% in 2019 after full implementation. Due to transitional rules the buffer in 2015 and 2016 is 0.4% and 0.8%, respectively.

The countercyclical capital buffer is at end June 2015 confirmed to remain 0%.

Recovery and resolution of banks

Under the EU Bank Recovery and Resolution Directive (BRRD), banks are required to submit recovery plans to the authorities, detailing how they can be recovered in a severe crisis. Moreover, as part of this implementation, the Danish authorities are to calibrate a crisis management buffer through a requirement to maintain sufficient liabilities with loss-absorbing capacity on the balance sheet. The aim is to ensure an orderly resolution process without having to resort to public financing, which is further underpinned by giving the authorities the tools necessary to resolve large financial institutions in an orderly manner. The BRRD was implemented into Danish law and passed by the Danish Parliament on 26 March 2015. The law came into force on 1 June 2015.

Continued focus on simplification

As an important lever to build the Future Relationship Bank Nordea continues to invest in its simplification programme, which will create a more scalable, resilient and agile platform for the Nordea Group. Nordea are progressing in design-

ing our future data and technology architecture and will in the coming quarters launch the first products on the new payment platform.

As part of the simplification of our processes, NBD has also initiated a dialogue with the authorities regarding its legal structure. The purpose is to simplify the legal structure by changing NBD to a branch and thereby strengthen governance, decrease administrative complexity and become more efficient. It will not lead to changes in the presence in Denmark nor to changes for the employees or the way NBD services its customers, but will support the work to increase agility and scale benefits.

New organisation in Banking Denmark

In June 2015 Banking Denmark in Retail targeted and simplified its management and organisational structure. The branch regions were changed to focus on either household or corporate customers. The change was made to fulfil the new Nordic Retail strategy to achieve the most satisfied customers and employees and the best profitability on all markets.

Risks and uncertainties

For information on risks and uncertainties, see Note G10.

Ratings

The ratings of Nordea Bank Danmark A/S are unchanged or improved.

The ratings of Nordea Kredit's bonds remain unchanged. The bonds have been assigned the highest ratings by the ratings agencies Moody's Investors Service (Aaa) and Standard & Poor's (AAA).

Income statement, Group

DKKmn	Note	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Operating income				
Interest income		9,845	11,069	22,183
Interest expenses		-4,721	-5,576	-11,179
Net interest income		5,124	5,493	11,004
Fee and commission income		3,427	3,124	6,070
Fee and commission expenses		-310	-240	-549
Net fee and commission income	G2	3,117	2,884	5,521
Net result from items at fair value	G3	126	197	-176
Profit from companies accounted for under the equity method		53	51	84
Other operating income		229	139	3,140
Total operating income		8,649	8,764	19,573
Operating expenses				
General administrative expenses:				
Staff costs		-2,853	-2,957	-5,672
Other expenses		-2,012	-2,128	-4,432
Depreciation, amortisation and impairment charges of tangible and intangible assets		-129	-211	-1,074
Other operating expenses		-	-2	-2
Total operating expenses		-4,994	-5,298	-11,180
Profit before loan losses		3,655	3,466	8,393
Net loan losses	G4	-623	-866	-1,831
Operating profit		3,032	2,600	6,562
Income tax expenses		-715	-625	-861
Net profit for the period		2,317	1,975	5,701
Attributable to:				
Shareholder of Nordea Bank Danmark A/S		2,317	1,975	5,701
Non-controlling interests		-	-	-
Total		2,317	1,975	5,701

Statement of comprehensive income

DKKmn	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Net profit for the period	2,317	1,975	5,701
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	0	-33	-13
Available for sale investments: ¹			
Valuation gains/losses during the period	-83	-21	-86
Tax on valuation gains/losses during the period	21	6	21
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	65	-8	-48
Tax on remeasurement of defined benefit plans	-14	2	11
Other comprehensive income, net of tax	-11	-54	-115
Total comprehensive income	2,306	1,921	5,586
Attributable to:			
Shareholder of Nordea Bank Danmark A/S	2,306	1,921	5,586
Non-controlling interests	-	-	-
Total	2,306	1,921	5,586

¹ Valuation gains/losses related to hedged risks under fair value hedge accounting are accounted for directly in the income statement.

Balance sheet, Group

DKKm	Note	30 Jun 2015	31 Dec 2014	30 Jun 2014
Assets				
Cash and balances with central banks		37,664	5,030	4,830
Loans to central banks	G5	26,826	47,007	70,008
Loans to credit institutions	G5	34,201	51,298	6,515
Loans to the public	G5	604,038	607,165	604,171
Interest-bearing securities		59,190	63,939	60,330
Financial instruments pledged as collateral		1,420	58	114
Shares		4,050	3,437	11,898
Assets under pooled schemes		30,143	29,048	28,787
Derivatives		464	848	268
Fair value changes of the hedged items in portfolio hedge of interest rate risk		308	371	337
Investments in associated undertakings		240	245	190
Intangible assets		1,844	1,884	2,666
Property and equipment		759	753	733
Deferred tax assets		65	65	79
Current tax assets		-	130	-
Retirement benefit assets		167	148	124
Other assets		5,847	5,878	9,927
Assets held for sale		-	-	711
Total assets		807,226	817,305	801,688
Liabilities				
Deposits by credit institutions		55,561	57,831	50,239
Deposits and borrowings from the public		285,092	286,630	299,022
Liabilities under pooled schemes		33,029	31,916	32,143
Debt securities in issue		357,143	359,283	330,884
Derivatives		1,508	2,597	3,498
Fair value changes of the hedged items in portfolio hedge of interest rate risk		89	88	74
Current tax liabilities		880	201	631
Other liabilities		18,292	18,420	26,783
Deferred tax liabilities		539	543	745
Provisions		507	510	612
Retirement benefit liabilities		2	49	11
Subordinated liabilities		13,085	14,550	16,030
Total liabilities		765,727	772,618	760,672
Equity				
Non-controlling interests		10	10	10
Share capital		5,000	5,000	5,000
Other reserves		96	107	168
Proposed dividends		-	5,500	-
Retained earnings		36,393	34,070	35,838
Total equity		41,499	44,687	41,016
Total liabilities and equity		807,226	817,305	801,688
Assets pledged as security for own liabilities		386,248	384,928	380,148
Contingent liabilities		30,112	27,882	28,314
Credit commitments ¹		150,511	151,317	172,862

¹ Including unutilised portion of approved overdraft facilities of DKK 115bn (31 Dec 2014: DKK 112bn, 30 Jun 2014: DKK 133bn).

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 2015	5,000	-8	60	55	5,500	34,070	44,677	10	44,687
Total comprehensive income	-	0	-62	51	-	2,317	2,306	-	2,306
Share-based payments	-	-	-	-	-	6	6	-	6
Dividends paid	-	-	-	-	-5,500	-	-5,500	-	-5,500
Proposed dividends	-	-	-	-	-	-	-	-	-
Balance at 30 Jun 2015	5,000	-8	-2	106	-	36,393	41,489	10	41,499
Balance at 1 Jan 2014	5,000	5	125	92	1,750	33,844	40,816	10	40,826
Total comprehensive income	-	-13	-65	-37	-	5,701	5,586	-	5,586
Share-based payments	-	-	-	-	-	26	26	-	26
Dividends paid	-	-	-	-	-1,750	-	-1,750	-	-1,750
Proposed dividends	-	-	-	-	5,500	-5,500	-	-	-
Balance at 31 Dec 2014	5,000	-8	60	55	5,500	34,070	44,677	10	44,687
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

¹ Total shares registered were 50 million (31 Dec 2014: 50 million, 30 Jun 2014: 50 million).

Cash flow statement, Condensed, Group

DKKmn	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Operating activities			
Operating profit	3,032	2,600	6,562
Adjustments for items not included in cash flow	739	1,437	2,884
Income taxes paid	-133	-216	-1,165
Cash flow from operating activities before changes in operating assets and liabilities	3,638	3,821	8,281
Changes in operating assets and liabilities	8,544	-12,810	-37,764
Cash flow from operating activities	12,182	-8,989	-29,483
Investing activities			
Associated undertakings	-	-28	669
Property and equipment	-82	-71	-165
Intangible assets	-14	-25	-34
Cash flow from investing activities	-96	-124	470
Financing activities			
Redeemed subordinated liabilities	-1,465	-2,059	-3,539
Dividend paid	-5,500	-1,750	-1,750
Cash flow from financing activities	-6,965	-3,809	-5,289
Cash flow for the period	5,121	-12,922	-34,302
Cash and cash equivalents at the beginning of the period	56,102	90,404	90,404
Cash and cash equivalents at the end of the period	61,223	77,482	56,102
Change	5,121	-12,922	-34,302

Cash and cash equivalents

The following items are included in cash and cash equivalents:

DKKmn	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Cash and balances with central banks	55,651	72,343	52,030
Loans to credit institutions, payable on demand	5,572	5,139	4,072
Total	61,223	77,482	56,102

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 and basis for calculations are, in all material aspects, unchanged in comparison with the Annual Report 2014.

The presentation of assets and liabilities in pooled schemes are changed as described below. A part from this change, the presentation is unchanged in comparison with the Annual Report 2014.

The following amendments published by IASB were implemented 1 January 2015 but have not had any significant impact on NBD's financial statements:

- Amendments to IAS 19 "Defined benefit plans: Employee Contributions"
- Annual Improvements to IFRSs, 2010-2012 Cycle
- Annual Improvements to IFRSs, 2011-2013 Cycle
- IFRIC 21 "Leases"

Pooled schemes

NBD invests in interest-bearing securities and shares on behalf of pension pool customers. The customers have the investment risk from these interest-bearing securities and shares.

In the interim financial statements for the first half of 2015 assets in pooled schemes have been presented on a separate line on the balance sheet named 'Assets under pooled schemes'. Previously the assets in pooled schemes were presented together with interest-bearing securities and shares for which NBD had the investment risk.

The return on liabilities in pooled schemes is based on the return from the assets in the pooled schemes. The nature of liabilities in pooled schemes is therefore different from other deposits from the public.

In the interim financial statements for the first half of 2015 liabilities in pooled schemes have been presented on a separate line on the balance sheet named 'Liabilities under pooled schemes'. Previously the liabilities in pooled schemes were presented as 'Deposits and borrowings from the public'.

The comparable figures have been restated as follows:

DKK m	31 Dec 2014		30 June 2014	
	New policy	Old policy	New policy	Old policy
Interest-bearing securities	63,939	74,798	60,330	72,139
Shares	3,437	21,503	11,898	28,757
Other assets	5,878	6,001	9,927	10,046
Assets under pooled schemes	29,048	-	28,787	-
Deposits and borrowings from the public	286,630	318,546	299,022	331,165
Liabilities under pooled schemes	31,916	-	32,143	-

The changes in the presentation have no impact on the income statement or equity.

3. Impact on capital adequacy from new or amended IFRS standards

IFRS 9 "Financial instruments"

IFRS 9 "Financial Instruments" covering classification and measurement, impairment and general hedging has been adopted by the IASB but has not yet been implemented by NBD.

The changes in classification and measurement 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.

Notes to the financial statements, Group

The impairment requirements in IFRS 9 are based on an expected loss model as opposed to the current incurred loss model in IAS 39. In general, it is expected that the new requirements will increase loan loss provisions, decrease equity and have a negative impact on capital adequacy at transition. NBD has not yet finalised any impact assessment.

The main change to the general hedging requirements is that the standard aligns hedge accounting more closely with the risk management activities. As NBD generally 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 in the period of initial application.

IFRS 15 "Revenue from Contracts with Customers"

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 in the period of initial application.

Other amendments to IFRS

Other amendments to IFRS are not assessed to have any significant impact on NBD's financial statement, capital adequacy or large exposures in the period of initial application.

Note G2 Net fee and commission income

DKKmn	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Asset management commissions	858	718	1,413
Life insurance	12	12	23
Brokerage, securities issues and corporate finance	1,212	1,102	2,093
Custody and issuer services	116	190	324
Deposits	16	14	30
Total savings and investments	2,214	2,036	3,883
Payments	208	211	421
Cards	220	186	391
Total payments and cards	428	397	812
Lending	440	343	697
Guarantees and documentary payments	178	163	330
Total lending related to commissions	618	506	1,027
Other commission income	167	185	348
Fee and commission income	3,427	3,124	6,070
Savings and investments	-74	-84	-187
Payments	-88	-62	-137
Cards	-72	-55	-121
Other commission expenses	-76	-39	-104
Fee and commission expense	-310	-240	-549
Net fee and commission income	3,117	2,884	5,521

Note G3 Net result from items at fair value

DKKmn	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Equity related instruments	331	1,133	784
Interest related instruments and foreign exchange gains/losses	-217	-229	-603
Other financial instruments	12	-705	-357
Investment properties	0	-2	0
Total	126	197	-176

Notes to the financial statements, Group

Note G4 Net loan losses

DKKm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Loan losses divided by class			
Realised loan losses	-	-	-
Allowances to cover realised loan losses	-	-	-
Recoveries on previous realised loan losses	-	-	-
Provisions	0	0	0
Reversal of previous provisions	0	0	0
Loans to credit institutions	0	0	0
Realised loan losses	-1,074	-1,278	-2,433
Allowances to cover realised loan losses	851	1,060	1,962
Recoveries on previous realised loan losses	77	80	168
Provisions	-1,769	-1,909	-4,043
Reversal of previous provisions	1,440	1,271	2,613
Loans to the public	-475	-776	-1,731
Realised loan losses	-42	-2	-20
Allowances to cover realised loan losses	42	2	20
Recoveries on previous realised loan losses	-	-	-
Provisions	-396	-312	-675
Reversal of previous provisions	248	222	575
Off-balance sheet items	-148	-90	-100
Net loan losses	-623	-866	-1,831
Key ratios			
Loan loss ratio, basis points	21	29	30
- of which individual	19	28	31
- of which collective	2	1	-1

Notes to the financial statements, Group

Note G5 Loans and impairment

DKKm	Central banks and credit institutions ²			The public			Total		
	30 Jun 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Dec 2014	30 Jun 2014
Loans, not impaired	61,027	98,305	76,523	587,511	589,963	586,929	648,538	688,268	663,452
Impaired loans:	-	-	-	26,422	27,585	27,716	26,422	27,585	27,716
- Performing	-	-	-	19,109	20,035	19,920	19,109	20,035	19,920
- Non-performing	-	-	-	7,313	7,550	7,796	7,313	7,550	7,796
Loans before allowances	61,028	98,305	76,523	613,933	617,548	614,645	674,960	715,853	691,168
Allowances for individually assessed impaired loans	-	-	-	-8,837	-9,374	-9,375	-8,837	-9,374	-9,375
- Performing	-	-	-	-5,977	-6,319	-6,287	-5,977	-6,319	-6,287
- Non-performing	-	-	-	-2,860	-3,055	-3,088	-2,860	-3,055	-3,088
Allowances for collectively assessed impaired loans	0	0	0	-1,059	-1,009	-1,099	-1,059	-1,009	-1,099
Allowances	0	0	0	-9,896	-10,383	-10,474	-9,896	-10,383	-10,474
Loans, carrying amount	61,027	98,305	76,523	604,038	607,165	604,171	665,065	705,470	680,694

Allowances and provisions

DKKm	30 Jun 2015	31 Dec 2014	30 Jun 2014
Allowances for items on the balance sheet	-9,896	-10,383	-10,474
Provisions for off-balance sheet items	-356	-250	-282
Total allowances and provisions	-10,252	-10,634	-10,756

Key ratios (basis points)¹

Impairment rate, gross	391,5	385,3	401,0
Impairment rate, net	260,5	254,4	265,4
Total allowance rate	146,6	145,0	151,5
Allowances in relation to impaired loans, %	33,4	34,0	33,8
Total allowances in relation to impaired loans, %	37,5	37,6	37,8
Non-performing loans, not impaired, DKKm	526	674	1,068

¹ For definitions, see Business definitions on page 24.

² Consists of loans to central banks of DKK 28,826m (DKK 47,007m at 31 December 2014 and DKK 70,008m at 30 June 2014) and loans to credit institutions of DKK 34,201m (DKK 51,298m at 31 December 2014 and DKK 6,515m at 30 June 2014).

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	37,664	-	-	-	-	-	37,664
Loans to credit institutions and central banks	31,276	-	29,740	11	-	-	61,027
Loans to the public	217,994	-	-	386,044	-	-	604,038
Interest-bearing securities	-	-	23,619	-	-	35,571	59,190
Financial instruments pledged as collateral	-	-	1,420	-	-	-	1,420
Shares	-	-	3,813	237	-	-	4,050
Assets under pooled schemes	-	-	-	30,143	-	-	30,143
Derivatives	-	-	309	-	155	-	464
Fair value changes of the hedged items in portfolio hedge of interest rate risk	308	-	-	-	-	-	308
Other assets	5,768	-	-	79	-	-	5,847
Total 30 Jun 2015	293,010	-	58,901	416,514	155	35,571	804,151
Total 31 Dec 2014	284,660	-	68,371	414,879	117	46,052	814,079
Total 30 Jun 2014	310,532	-	32,713	410,598	113	43,112	797,068

	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	2,403	4,760	-	48,398	55,561
Deposits and borrowings from the public	-	22,781	-	262,311	285,092
Liabilities under pooled schemes	-	33,029	-	-	33,029
Debt securities in issue	-	357,143	-	-	357,143
Derivatives	510	-	998	-	1,508
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	89	89
Other liabilities	2,037	-	-	16,255	18,292
Subordinated liabilities	-	-	-	13,085	13,085
Total 30 Jun 2015	4,950	417,713	998	340,138	763,799
Total 31 Dec 2014	4,614	426,818	1,552	333,979	766,963
Total 30 Jun 2014	4,137	406,996	1,039	341,102	753,274

Notes to the financial statements, Group

Note G7

Fair value of financial assets and liabilities

DKKm	30 Jun 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	37,664	37,664	5,030	5,030
Loans	665,065	654,090	705,470	700,707
Interest-bearing securities	59,190	59,190	63,939	63,939
Financial instruments pledged as collateral	1,420	1,420	58	58
Shares	4,050	4,050	3,437	3,437
Assets under pooled schemes	30,143	30,143	29,048	29,048
Derivatives	464	464	848	848
Fair value changes of the hedged items in portfolio hedge of interest rate risk	308	308	371	371
Other assets	5,847	5,847	5,878	5,878
Total	804,151	793,176	814,079	809,316
Financial liabilities				
Deposits and debt instruments	710,881	710,881	718,382	718,382
Liabilities under pooled schemes	33,029	33,029	31,916	31,916
Derivatives	1,508	1,508	2,597	2,597
Fair value changes of the hedged items in portfolio hedge of interest rate risk	89	89	88	88
Other liabilities	18,292	18,292	13,980	13,980
Total	763,799	763,799	766,963	766,963

The fair value at 30 June 2015 and 31 December 2014 has for loans been estimated by discounting the expected future cash flows with an assumed customer interest rate that would have been used on the market if the loans had been issued at the time of the measurement. The assumed customer interest rate is calculated as the benchmark interest rate plus the average margin on new lending in Retail Banking and Wholesale Banking respectively. The determination of fair value on other items in the balance sheet is described in the Annual report 2014, Note G31 "Assets and liabilities at fair value".

Notes to the financial statements, Group

Note G8

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

Categorisation into the fair value hierarchy

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	-	29,751	-	29,751
Loans to the public	-	386,044	-	386,044
Interest-bearing securities	29,017	30,136	37	59,190
Financial instruments pledged as collateral	1,420	-	-	1,420
Shares	307	-	3,743	4,050
Assets under pooled schemes	30,143	-	-	30,143
Derivatives	-	464	-	464
Other assets	-	-	79	79
Total 30 Jun 2015	60,887	446,395	3,859	511,141
Total 31 Dec 2014	64,069	461,738	3,612	529,419
Liabilities at fair value on the balance sheet¹				
Deposits by credit institutions	-	7,163	-	7,163
Deposits and borrowings from the public	-	22,781	-	22,781
Liabilities under pooled schemes	-	33,029	-	33,029
Debt securities in issue	357,143	-	-	357,143
Derivatives	-	1,508	-	1,508
Other liabilities	-	2,037	-	2,037
Total 30 Jun 2015	357,143	66,518	-	423,661
Total 31 Dec 2014	360,043	72,941	-	432,984

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 2014, Note G31 "Assets and liabilities at fair value".

Movements of shares in Level 3

DKKm	1 Jan 2015	Fair value gains/losses recognised in the income statement during the period					30 Jun 2015
		Realised	Unrealised	Purchases	Sales	Settlements	
Shares	3,491	7	274	270	-281	-18	3,743

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. During the period NBD has not transferred shares 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 G8

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 2014 Note G31 "Assets and liabilities at fair value".

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

DKK m	Fair value	Valuation techniques
Shares		
Private equity funds	1,463	Adjusted net asset value ¹
Hedge funds	1,081	Net asset value ¹
Credit Funds	964	Net asset value
Other funds	88	Net asset value/fund prices ¹
Other	147	-
Total 30 Jun 2015²	3,743	
Total 31 Dec 2014	3,491	

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.

² Effects of reasonably possible alternative assumptions are DKK 378 m/-119 m.

In order to calculate the sensitivity (range) in fair value of shares the fair value was increased and decreased within a total range of 2-10 percentage units depending of the valuation uncertainty and underlying assumptions. For more information see the Annual Report 2014, Note G31 "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. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information see the Annual report 2014 Note G1 "Accounting policies".

At 30 Jun 2015 deferred Day-1 profit amounted to DKK 0m (DKK 0m).

Notes to the financial statements, Group

Note G9 Capital adequacy

Calculation of own funds

DKKmn	30 Jun 2015	31 Dec ⁵ 2014	30 Jun 2014
Equity in the consolidated situation	39,172	44,677	39,032
Proposed/actual dividend	-	-5,500	-
Common Equity Tier 1 capital before regulatory adjustments	39,172	39,177	39,032
Deferred tax assets	-	-	-
Intangible assets	-1,844	-1,884	-2,666
IRB provisions shortfall (-) ¹	-212	-434	-394
Pension assets in excess of related liabilities ²	-183	-130	-28
Other items, net ³	1,323	1,097	1,072
Total regulatory adjustments to Common Equity Tier 1 capital	-916	-1,351	-2,016
Common Equity Tier 1 capital (net after deduction)	38,256	37,826	37,016
Additional Tier 1 capital before regulatory adjustments	-	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-	-
Additional Tier 1 capital	-	-	-
Tier 1 capital (net after deduction)	38,256	37,826	37,016
Tier 2 capital before regulatory adjustments	9,603	11,912	14,429
IRB provisions excess (+)	-	-	-
Deduction for investments in credit institutions (50%)	-	-	-
Pension assets in excess of related liabilities	-	-	-
Other items, net	-64	-173	-158
Total regulatory adjustments to Tier 2 capital	-64	-173	-158
Tier 2 capital	9,539	11,739	14,272
Own funds (net after deduction)⁴	47,795	49,565	51,287

¹ Total shortfall in 2015. Transition rules allow 70% to be deducted in CET1 and 30% in T2. The transition effect is included in: Other items, net. For 2014 shortfall was 60% T1, 40% T2.

² Transition rules require only 40% to be deducted in 2015. The transition effect is included in other items, net (In 2014 20% was deducted).

³ Other items, net includes holdings of LR Realkredit A/S 1,255 DKKmn in 2015 (1,255 DKKmn in 2014).

⁴ Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 48,007m by 30 Jun 2015.

⁵ Includes profit of the period.

Own funds including profit¹

DKKmn	30 Jun 2015	31 Dec 2014	30 Jun 2014
Tier 1 capital, including profit for the period	40,547	37,826	38,990
Total capital base, including profit for the period	50,087	49,565	53,262

¹ The auditors have not verified the interim results.

Notes to the financial statements, Group

Note G9 Capital adequacy (cont.)

Minimum capital requirement and REA

	30 Jun 2015	30 Jun 2015	31 Dec 2014	31 Dec 2014	30 Jun 2014	30 Jun 2014
	Minimum Capital requirement	REA	Minimum Capital requirement	REA	Minimum Capital requirement	REA
DKKm						
Credit risk	17,437	217,953	17,679	220,985	18,955	236,943
- of which counterparty credit risk	26	323	31	393	28	352
IRB	16,073	200,907	16,312	203,904	17,563	219,543
- of which corporate	9,853	123,158	10,309	128,864	11,542	144,279
- of which advanced	9,388	117,344	9,791	122,392	10,994	137,426
- of which foundation	465	5,814	518	6,472	548	6,853
- of which institutions	435	5,437	511	6,383	461	5,760
- of which retail	5,537	69,212	5,262	65,777	5,345	66,813
- of which secured by immovable property collateral	3,121	39,010	2,753	34,413	2,658	33,231
- of which other retail	2,416	30,202	2,509	31,364	2,687	33,582
- of which other	248	3,100	230	2,880	215	2,691
Standardised	1,364	17,046	1,367	17,081	1,392	17,400
- of which central governments or central banks	48	599	48	604	43	534
- of which public sector entities	4	54	0	0	0	0
- of which institutions	75	934	108	1,348	91	1,144
- of which corporate	252	3,152	252	3,149	251	3,137
- of which retail	398	4,966	396	4,936	481	6,008
- of which secured by mortgages on immovable property	89	1,116	84	1,055	87	1,082
- of which in default	6	74	8	102	9	113
- of which associated with particularly high risk	435	5,436	398	4,976	397	4,960
- of which covered bonds	3	35	4	45	3	35
- of which equity	18	227	32	403	106	1,332
- of which other items	36	453	37	463	11	137
Credit Value Adjustment Risk	4	50	3	39	2	23
Market risk	606	7,577	304	3,799	383	4,796
- of which trading book, Internal Approach	357	4,461	135	1,685	81	1,030
- of which trading book, Standardised Approach	183	2,296	169	2,114	199	2,484
- of which banking book, Standardised Approach	66	820	-	-	103	1,282
Operational risk	2,396	29,954	2,393	29,907	2,393	29,907
Standardised	2,396	29,954	2,393	29,907	2,393	29,907
Sub total	20,443	255,534	20,379	254,730	21,733	271,669
Adjustment for Basel I floor						
Additional capital requirement	10,278	128,481	10,379	129,741	8,584	107,296
Total	30,721	384,015	30,758	384,471	30,317	378,965

Notes to the financial statements, Group

Note G9 Capital adequacy (cont.)

Minimum Capital Requirement & Buffers

Pct., 30 Jun 2015	Minimum Capital requirements	Buffers					Total
		CCoB	CCyB	SII	SRB	Capital Buffers total	
Common Equity Tier 1 capital	4.5	N/A	0.0	N/A	0.4	0.4	4.9
Tier 1 capital	6.0	N/A	0.0	N/A	0.4	0.4	6.4
Own funds	8.0	N/A	0.0	N/A	0.4	0.4	8.4

DKKm, 30 Jun 2015

Common Equity Tier 1 capital	11,449	N/A	14	N/A	1,022	1,036	12,535
Tier 1 capital	15,332	N/A	14	N/A	1,022	1,036	16,368
Own funds	20,443	N/A	14	N/A	1,022	1,036	21,479

Common Equity Tier 1 available to meet Capital Buffers

Pct. points of REA	30 Jun 2015	31 Dec ¹ 2014	30 Jun 2014
Common Equity Tier 1 capital	9.0	8.8	N/A

¹ Including profit of the period.

Capital ratios

Pct.	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit ¹	15.9	14.8	14.4
Tier 1 capital ratio, including profit ¹	15.9	14.8	14.4
Total capital ratio, including profit ¹	19.6	19.5	19.6
Common Equity Tier 1 capital ratio, excluding profit	15.0	14.8	13.6
Tier 1 capital ratio, excluding profit	15.0	14.8	13.6
Total capital ratio, excluding profit	18.7	19.4	18.9

Capital ratios including Basel I floor

Pct.	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit ¹	10.6	10.0	10.4
Tier 1 capital ratio, including profit ¹	10.6	10.0	10.4
Total capital ratio, including profit ¹	13.1	13.0	14.2
Common Equity Tier 1 capital ratio, excluding profit	10.0	9.9	9.8
Tier 1 capital ratio, excluding profit	10.0	9.9	9.8
Total capital ratio, excluding profit	12.5	13.0	13.6

¹ The auditors have not verified the interim results.

Leverage ratio

	30 Jun 2015	31 Dec ¹ 2014	30 Jun 2014
Tier 1 capital, transitional definition, DKKm	38,256	37,826	37,016
Leverage ratio exposure, DKKm	866,435	864,275	895,559
Leverage ratio, percentage	4.4	4.4	4.1

¹ Including profit of the period.

Notes to the financial statements, Group

Note G9

Capital adequacy (cont.)

Credit risk exposures for which internal models are used, split by rating grade

	On-balance exposure, DKKm	Off-balance exposure, DKKm	Exposure value (EAD), DKKm ¹	of which EAD for off-balance, DKKm	Exposure- weighted average risk weight
Corporate, foundation IRB:	7,674	2,108	9,284	1,589	62.6
- of which rating grades 6	61	52	109	46	15.6
- of which rating grades 5	1,166	488	1,548	366	36.3
- of which rating grades 4	4,014	759	4,585	570	58.0
- of which rating grades 3	1,693	484	2,057	363	89.0
- of which rating grades 2	145	22	162	17	144.0
- of which rating grades 1	23	3	26	2	187.2
- of which unrated	251	170	378	127	122.7
- of which defaulted	321	130	419	98	0.0
Corporate, advanced IRB:	234,748	117,133	286,255	54,012	41.0
- of which rating grades 6	15,226	17,782	24,416	9,153	10.4
- of which rating grades 5	57,636	39,768	77,906	19,961	20.5
- of which rating grades 4	93,815	47,615	112,750	19,860	37.2
- of which rating grades 3	38,593	8,225	41,591	3,873	50.8
- of which rating grades 2	6,257	535	6,270	221	83.8
- of which rating grades 1	1,251	86	1,202	33	118.0
- of which unrated	3,142	2,092	3,538	911	76.4
- of which defaulted	18,828	1,030	18,582	-	141.9
Institutions, foundation IRB:	52,740	2,759	53,337	220	10.2
- of which rating grades 6	197	829	438	48	19.5
- of which rating grades 5	52,346	744	52,505	46	9.2
- of which rating grades 4	16	733	27	7	75.2
- of which rating grades 3	37	35	49	12	107.1
- of which rating grades 2	82	7	15	4	194.6
- of which rating grades 1	-	-	-	-	-
- of which unrated	62	411	303	103	132.8
- of which defaulted	-	-	-	-	-
Retail, of which secured by real estate:	296,468	3,763	299,162	2,694	13.0
- of which scoring grades A	143,561	2,084	145,069	1,507	4.4
- of which scoring grades B	90,938	904	91,570	632	9.2
- of which scoring grades C	36,556	529	36,941	384	17.4
- of which scoring grades D	8,883	190	9,012	129	34.1
- of which scoring grades E	7,103	26	7,121	19	59.6
- of which scoring grades F	3,514	15	3,525	11	90.0
- of which not scored	258	8	264	6	35.3
- of which defaulted	5,655	7	5,660	6	127.1
Retail, of which other retail:	58,072	35,263	86,116	28,071	35.1
- of which scoring grades A	14,353	17,803	28,533	14,188	11.2
- of which scoring grades B	19,466	9,136	26,687	7,226	21.8
- of which scoring grades C	10,437	4,763	14,273	3,839	36.3
- of which scoring grades D	3,575	2,266	5,375	1,804	51.4
- of which scoring grades E	3,777	526	4,188	414	60.0
- of which scoring grades F	2,526	351	2,803	279	83.1
- of which not scored	200	154	329	129	56.0
- of which defaulted	3,738	264	3,928	192	209.1
Other non credit-obligation assets:	3,098	4	3,101	3	100.0

NBD does not have the following IRB exposure classes: equity exposures, items representing securitisation positions, central governments and central banks, qualifying revolving retail.

¹ Includes EAD for on-balance, off-balance, derivatives and securities financing.

Note G10
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, operational risk and compliance risk. For further information on risk composition, see the Annual Report 2014.

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 tax assets, intangible assets, the full 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 2015	Jan-Jun 2014	Full year 2014
Interest income		3,762	5,051	10,019
Interest expenses		-632	-1,485	-2,882
Net interest income		3,130	3,566	7,137
Dividends on shares etc		18	352	426
Fee and commission income		3,657	3,392	6,571
Fees and commissions paid		-257	-204	-464
Net interest and fee income		6,548	7,106	13,670
Value adjustments	P2	395	-162	-474
Other operating income		209	138	3,120
Staff and administrative expenses		-4,648	-4,896	-9,725
Amortisation and depreciation as well as impairment losses on tangible and intangible assets		-123	-206	-1,066
Other operating costs		-	-2	-2
Impairment losses on loans and guarantees etc		-472	-620	-1,396
Profit from equity investments in associates and group undertakings		812	942	1,818
Profit before tax		2,721	2,300	5,945
Tax		-466	-340	-329
Net profit for the period		2,255	1,960	5,616

Statement of comprehensive income

DKKmn	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Net profit for the period	2,255	1,960	5,616
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	0	-33	-13
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	65	-8	-48
Tax on remeasurement of defined benefit plans	-14	2	11
Other comprehensive income, net of tax	51	-39	-50
Total comprehensive income	2,306	1,921	5,566

Balance sheet, parent company

DKKm	Note	30 Jun 2015	31 Dec 2014	30 Jun 2014
Assets				
Cash in hand and demand deposits with central banks		24,464	5,027	4,829
Receivables from credit institutions and central banks		77,618	169,500	101,339
Loans and other receivables at fair value		-	-	-
Loans and other receivables at amortised cost		224,137	225,913	227,411
Bonds at fair value		105,431	111,099	115,184
Shares etc		4,039	3,417	11,778
Equity investments in associates		206	217	167
Equity investments in group undertakings		29,879	29,350	28,600
Assets under pooled schemes		31,748	30,452	30,685
Intangible assets		1,809	1,851	2,634
Total land and buildings		2	6	30
Owner-occupied properties		2	6	30
Other tangible assets		456	450	440
Current tax assets		22	131	-
Assets held temporarily		22	25	758
Other assets		5,753	6,364	9,416
Prepaid expenses and accrued income		1,027	688	940
Total assets		506,613	584,490	534,211
Equity and liabilities				
Debt				
Debt to credit institutions and central banks		63,451	85,344	52,820
Deposits and other debt		295,360	295,737	308,260
Liabilities under pooled schemes		33,029	31,916	32,143
Other non-derivative financial liabilities at fair value		31,277	71,421	52,763
Current tax liabilities		759	201	407
Other liabilities		26,726	39,079	28,962
Accrued expenses and prepaid income		42	37	23
Total debts		450,644	523,735	475,378
Provisions				
Provisions for pensions and similar liabilities		2	49	10
Provisions for deferred tax		180	166	329
Provisions for losses on guarantees		1,094	1,058	1,090
Other provisions		148	255	348
Total provisions		1,424	1,528	1,777
Subordinated debt				
Subordinated debt		13,056	14,550	16,030
Equity				
Share capital		5,000	5,000	5,000
Accumulated value changes		-8	-8	-8
Reserve for net revaluation under the equity method		13,288	12,770	12,284
Retained earnings		23,209	21,415	23,750
Proposed dividend		-	5,500	-
Total equity		41,489	44,677	41,026
Total equity and liabilities		506,613	584,490	534,211

Statement of changes in equity, parent company

DKK m	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 2015	5,000	-8	-	12,770	21,415	5,500	44,677
Net profit for the period	-	-	-	518	1,737	-	2,255
Other comprehensive income, net of tax	-	0	-	-	51	-	51
Share-based payments	-	-	-	-	6	-	6
Dividend paid	-	-	-	-	-	-5,500	-5,500
Proposed dividend	-	-	-	-	-	-	-
Balance at 30 Jun 2015	5,000	-8	-	13,288	23,209	-	41,489
Balance at 1 Jan 2014	5,000	5	20	11,750	22,310	1,750	40,835
Net profit for the year	-	-	-	1,020	4,596	-	5,616
Other comprehensive income, net of tax	-	-13	-	-	-37	-	-50
Other	-	-	-20	-	20	-	-
Share-based payments	-	-	-	-	26	-	26
Dividend paid	-	-	-	-	-	-1,750	-1,750
Proposed dividend	-	-	-	-	-5,500	5,500	-
Balance at 31 Dec 2014	5,000	-8	-	12,770	21,415	5,500	44,677
Balance at 1 Jan 2014	5,000	5	20	11,750	22,310	1,750	40,835
Net 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

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 unchanged in comparison with the Annual Report 2014.

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:

DKKm	Net profit for the period			Equity		
	Jan-Jun 2015	Jan-Jun 2014	Full year 2014	30 Jun 2015	31 Dec 2014	30 Jun 2014
Group according to IFRS	2,317	1,975	5,701	41,499	44,687	41,016
Differences between IFRS and FSA Executive Order:						
- Fair value adjustment of owner-occupied properties	-	-	-20	-	-	20
- Financial assets available for sale	-83	-21	-86	-	-	-
- Tax effect	21	6	21	-	-	-
- Non-controlling interests ¹	-	-	-	1,255	1,255	1,255
Group prepared according to FSA Executive Order	2,255	1,960	5,616	42,754	45,942	42,291
Non-controlling interests	-	-	-	1,265	1,265	1,265
Parent company prepared according to FSA Executive Order	2,255	1,960	5,616	41,489	44,677	41,026

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 2015	Jan-Jun 2014	Full year 2014
Other loans and receivables at fair value	0	-1	-13
Bonds	-549	83	92
Shares etc.	270	707	286
Currency	-97	-16	26
Derivatives	768	-941	-879
Assets under pooled schemes	1,688	1,619	2,833
Liabilities under pooled schemes	-1,688	-1,619	-2,833
Other liabilities	3	6	14
Total value adjustments	395	-162	-474

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 2015	9,126	858	8	-	9,992
Impairment losses during the period	1,058	250	-	-	1,308
Reversal of impairment losses effected in previous financial periods	-786	-193	-	-	-979
Finally lost, previously individually written down	-763	-	-	-	-763
Other changes	33	-	-	-	-
Balance at 30 Jun 2015	8,668	915	8	-	9,558
Balance at 1 Jan 2014	9,394	973	8	-	10,375
Impairment losses during the period	2,461	348	7	-	2,816
Reversal of impairment losses effected in previous financial periods	-1,234	-463	-7	-	-1,704
Finally lost, previously individually written down	-1,515	-	-	-	-1,515
Other changes	20	-	-	-	20
Balance at 31 Dec 2014	9,126	858	8	-	9,992
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

Notes to the financial statements, parent company

Note P4 Capital adequacy

Summary of items included in own funds

DKKm	30 Jun 2015	31 Dec ⁴ 2014	30 Jun 2014
Equity	39,172	44,677	39,031
Proposed/actual dividend	-	-5,500	-
Common Equity Tier 1 capital before regulatory adjustments	39,172	39,177	39,031
Deferred tax assets	-	-	-
Intangible assets	-1,809	-1,851	-2,634
IRB provisions shortfall (-) ¹	-14	-197	-70
Deduction for investments in credit institutions (50%)	-	-	-
Pension assets in excess of related liabilities ²	-183	-130	-28
Other items, net	11	-252	-313
Total regulatory adjustments to Common Equity Tier 1 capital	-1,995	-2,430	-3,044
Common Equity Tier 1 capital (net after deduction)	37,177	36,747	35,987
Additional Tier 1 capital before regulatory adjustments	-	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-	-
Additional Tier 1 capital	-	-	-
Tier 1 capital (net after deduction)	37,177	36,747	35,987
Tier 2 capital before regulatory adjustments	9,603	11,912	14,429
IRB provisions excess (+)	-	-	-
Deduction for investments in credit institutions (50%)	-	-	-
Pension assets in excess of related liabilities	-	-	-
Other items, net	-4	-78	-28
Total regulatory adjustments to Tier 2 capital	-4	-78	-28
Tier 2 capital	9,599	11,834	14,401
Own funds (net after deduction)³	46,776	48,581	50,388

¹ Total shortfall in 2015. Transition rules allow 70% to be deducted in CET1 and 30% in T2. The transition effect is included in:

Other items, net. For 2014 shortfall was 60% T1, 40% T2.

² Transition rules require only 40% to be deducted in 2015. The transition effect is included in other items, net. (In 2014 20% was deducted)

³ Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 46,790m by 30 Jun 2015.

⁴ Includes profit of the period.

Own Funds including profit¹

DKKm	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital, including profit	39,469	36,747	37,960
Total Own Funds, including profit	49,067	48,581	52,361

¹ The auditors have not verified the interim results.

Note P4
Capital adequacy (cont.)

Minimum capital requirement and REA

	30 Jun 2015	30 Jun 2015	31 Dec 2014	31 Dec 2014	30 Jun 2014	30 Jun 2014
	Minimum Capital requirement	REA	Minimum Capital requirement	REA	Minimum Capital requirement	REA
DKKmn						
Credit risk	16,718	208,975	16,840	210,502	17,959	224,492
Credit Value Adjustment Risk	4	51	3	39	2	23
Market risk	438	5,471	164	2,049	235	2,938
Operational risk	2,206	27,576	2,222	27,775	2,222	27,775
Sub total	19,366	242,073	19,229	240,365	20,418	255,229
Additional capital requirement according to Basel I floor	6,197	77,471	6,939	86,741	4,100	51,254
Total	25,563	319,544	26,168	327,106	24,519	306,482

Capital ratios

Pct.	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit ¹	16.3	15.3	14.9
Tier 1 capital ratio, including profit ¹	16.3	15.3	14.9
Total capital ratio, including profit ¹	20.3	20.2	20.5
Common Equity Tier 1 capital ratio, excluding profit	15.4	15.2	14.1
Tier 1 capital ratio, excluding profit	15.4	15.2	14.1
Total capital ratio, excluding profit	19.3	20.1	19.7

Capital ratios including Basel I floor

Pct.	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit ¹	12.4	11.3	12.4
Tier 1 capital ratio, including profit ¹	12.4	11.3	12.4
Total capital ratio, including profit ¹	15.4	14.9	17.1
Common Equity Tier 1 capital ratio, excluding profit	11.6	11.2	11.8
Tier 1 capital ratio, excluding profit	11.6	11.2	11.8
Total capital ratio, excluding profit	14.6	14.9	16.5

¹ The auditors have not verified the interim results.

Note P5

Financial ratios

	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Total capital ratio	19.3	19.7	20.2
Tier 1 capital ratio	15.4	14.1	15.3
Return on equity before tax (%)	6.3	5.6	13.9
Return on equity after tax (%)	5.2	4.8	13.1
Ratio of operating income relative to operating expenses	1.5	1.4	1.5
Interest-rate risk	0.1	-0.2	0.6
Loans relative to deposits	70.8	69.4	71.7
Loans relative to equity	5.4	5.5	5.1
Growth in loans for the period (%)	-0.8	-4.0	-4.6
Excess liquidity in relation to statutory requirements for liquidity	162.7	161.2	136.1
Sum of large exposures	10.3	0.0	10.9
Write down ratio	2.5	2.7	2.6
Write down ratio for the period	0.1	0.2	0.4
Return on assets calculated as net profit for the period as a percentage of total assets	0.8	0.7	1.0

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 P6

Activities country-by-country

Jan-Jun 2015, DKKm	Nature of activities	Turnover	Profit before tax	Tax	Number of employees on a full time equivalent basis
Denmark	Banking, asset management and real estate funding	13,495	3,032	-715	6,237
Poland	Administrative services	6	0	0	75

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 124a.

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 2015.

The Interim Report January-June 2015 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 2015 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 2015.

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, 15 July 2015

Board of Directors

Mads G. Jakobsen (Chairman)

Torsten Hagen Jørgensen

Gunn Wærsted

Ari Kaperi

Anne Rømer

Executive Management

Peter Lybecker (CEO)

Jørgen Høholt

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