

To Nasdaq Copenhagen
and the press

13 May 2015

NYKREDIT BANK A/S – A SUBSIDIARY OF NYKREDIT REALKREDIT A/S CONSOLIDATED IN THE NYKREDIT GROUP FINANCIAL STATEMENTS

INTERIM REPORT FOR THE PERIOD 1 JANUARY – 31 MARCH 2015

- Profit before tax, excluding value adjustment of interest rate swaps, increased by DKK 344m from DKK 229m in Q1/2014 to DKK 573m.
- Core income from business operations increased by 29% from DKK 780m to DKK 1,004m.

The development was primarily an effect of a rise of DKK 217m in Wholesale earnings, of which Nykredit Markets's activities contributed a rise of DKK 154m, while Nykredit Asset Management and Corporate & Institutional Banking saw a total increase of DKK 63m. Group Items contributed an earnings rise of DKK 34m and Retail a decline of DKK 27m.

- Operating costs decreased by 5% from DKK 527m in Q1/2014 to DKK 502m. The development should be seen in light of Nykredit's objective to reduce the Group's cost base.

Costs as a percentage of core income from business operations were 50.0% compared with 67.6% in Q1/2014.

- Impairment losses on loans and advances declined by DKK 59m from DKK 40m in Q1/2014 to an income of DKK 19m – equal to almost 0.0% of loans and advances for both periods.
- Value adjustment of interest rate swaps was a charge of DKK 1,061m, of which DKK 992m was an effect of a fall in long-term swap rates from about 1.7% at the beginning of the year to 1.1%. The significant interest rate decline was partly driven by the ECB's asset purchase programmes. Value adjustment of swaps primarily relates to the financial and legal uncertainty associated with cooperative housing and mainly constitutes provisions for potential future losses, irrespective of the fact that the losses are not considered likely. Incurred losses amounted to DKK 48m in Q1/2015.
- The Nykredit Bank Group's results before tax were a loss of DKK 488m compared with a loss of DKK 1m in Q1/2014.
- The balance sheet stood at DKK 219bn compared with DKK 230bn at end-2014.

LIQUIDITY

- Excess coverage relative to statutory liquidity requirements was 309%, and the Bank had a deposit surplus of DKK 18.4bn.
- The Bank's liquidity coverage ratio (LCR) came to 122% according to the future LCR rules.

CAPITAL

- Equity stood at DKK 14.2bn at 31 March 2015 against DKK 12.6bn at end-2014.
- The total capital ratio was 15.6% and the Tier 1 capital ratio was 15.1% against 13.1% and 12.8%, respectively, at end-2014. The Common Equity Tier 1 (CET1) capital ratio was 15.0% against 12.8% at end-2014.
- The internal capital adequacy requirement (ICAAP) was 12.2% compared with 11.7% at end-2014.

ABOUT NYKREDIT BANK GROUP

The Q1 Interim Reports 2015 of the Nykredit Bank Group and the Nykredit Group and further information about Nykredit are available at nykredit.com.

Contact

For further comments, please contact Jens Theil, Head of Press Relations, Corporate Communications, tel +45 44 55 14 50.

Nykredit Bank A/S
Kalvebod Brygge 1-3
DK-1780 Copenhagen V
Tel +45 44 55 18 00
www.nykredit.com
CVR no 10 51 96 08

FINANCIAL HIGHLIGHTS

Nykredit Bank Group

DKK million	Q1/2015	Q1/2014	FY 2014
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
- business operations	1,004	780	3,173
- value adjustment of derivatives due to interest rate changes	(992)	(181)	(1,229)
- other value adjustment of derivatives	(69)	(49)	(2,133)
- securities	3	7	29
Total	(54)	557	(160)
Operating costs and depreciation of equipment	502	527	2,007
Provisions for costs relating to reorganisation	-	-	28
Core earnings before impairment losses	(556)	30	(2,195)
Impairment losses on loans and advances and provisions for guarantees	(19)	40	219
Core earnings after impairment losses	(537)	(10)	(2,414)
Investment portfolio income	49	9	43
Loss before tax	(488)	(1)	(2,371)
Tax	(113)	9	(599)
Loss for the period	(375)	(10)	(1,772)
SUMMARY BALANCE SHEET, END OF PERIOD			
Assets			
Cash balance and receivables from central banks and credit institutions	42,699	29,389	33,885
Loans, advances and other receivables at fair value	29,569	35,831	35,228
Loans, advances and other receivables at amortised cost	49,404	48,078	50,494
Bonds at fair value and equities	44,014	82,471	65,314
Remaining assets	53,365	33,102	44,962
Total assets	219,051	228,871	229,883
Liabilities and equity			
Payables to credit institutions and central banks	61,649	58,492	63,876
Deposits and other payables	67,832	68,694	65,350
Bonds in issue at amortised cost	24,427	23,849	25,881
Other non-derivative financial liabilities at fair value	4,930	33,108	19,943
Remaining payables	45,687	29,894	41,913
Provisions	226	247	245
Subordinated debt	100	250	100
Equity	14,200	14,337	12,575
Total liabilities and equity	219,051	228,871	229,883
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	20,320	12,306	20,893
Other commitments	4,632	6,734	4,839
FINANCIAL RATIOS			
Loss for the period as % of average equity pa	(11.2)	(0.3)	(13.2)
Profit (loss) before tax for the period as % of average equity pa	(14.6)	0.0	(17.6)
Core earnings before impairment losses as % of average equity pa	(16.6)	0.9	(16.3)
Core earnings after impairment losses as % of average equity pa	(4.0)	(0.3)	(17.9)
Costs excl impairment losses as % of core income from business operations	50.0	67.6	63.3
Impairment losses on loans and advances	3,482	3,820	3,560
Impairment losses for the period, %	0.0	0.0	0.2
Total capital ratio, %	15.6	16.1	13.1
Tier 1 capital ratio, %	15.1	15.7	12.8
CET1 capital ratio, %	15.0	15.5	12.8
Average number of full-time staff	769	860	820

NYKREDIT BANK GROUP

NYKREDIT BANK GROUP RESULTS RELATIVE TO Q1/2014

Group results were a loss before tax of DKK 488m against a loss of DKK 1m in Q1/2014.

Excluding value adjustment of interest rate swaps, profit before tax for the period went up by DKK 344m from DKK 229m in Q1/2014 to DKK 573m.

The trend in core operations was positive, with core income from business operations up by 29% to DKK 1,004m and operating costs down by DKK 25m. Impairment losses on loans and advances amounted to an income of DKK 19m, corresponding to an improvement of DKK 59m compared with Q1/2014.

Core income from business operations grew by DKK 224m to DKK 1,004m. This development was primarily an effect of an earnings rise in Group Items and Wholesale, where especially Nykredit Markets's activities developed favourably. By contrast, Retail earnings declined compared with Q1/2014.

Value adjustment of interest rate swaps had an adverse earnings impact of DKK 1,061m compared with DKK 230m in Q1/2014. The charge mainly related to provisions for potential future losses and was chiefly a result of the interest rate decline in the period under review. The underlying provisions cover especially legal and economic risk in the cooperative housing area.

Impairment losses on loans and advances developed satisfactorily and contributed an income of DKK 19m against losses of DKK 40m in Q1/2014. Impairment losses were 0.0% of loans and advances for the period under review – the same as in Q1/2014.

Core earnings

Core income from business operations

Core income totalled DKK 1,004m, reaching a nine-quarter high. Income was DKK 780m in Q1/2014. Growth was notably driven by Wholesale, which showed a rise from DKK 373m in Q1/2014 to DKK 590m, of which Nykredit Markets's activities accounted for an in-

crease of DKK 154m to DKK 225m. Corporate & Institutional Banking and Asset Management saw an activity upturn of DKK 47m and DKK 16m, respectively.

Group Items increased by DKK 34m to DKK 16m, while Retail dropped by DKK 27m to DKK 398m.

Relative to end-2014, lending at amortised cost fell by DKK 1.1bn to DKK 49.4bn as at 31 March 2015, reflecting continued subdued demand. The reduction was evenly distributed between Retail and Wholesale. Deposits grew DKK 2.4bn in Q1/2015 from DKK 65.4bn at end-2014 to DKK 67.8bn. This rise was mainly attributable to Wholesale, while Retail deposits were on a level with end-2014.

Value adjustment of derivatives

Value adjustment for the period under review totalled a charge of DKK 1,061m against a charge of DKK 230m in Q1/2014. Of the charge for the period, incurred losses (terminated contracts) amounted to DKK 48m in Q1/2015.

The charge was mainly due to lower interest rate levels, corresponding to a charge of DKK 992m prompted by a marked fall in long-term swap rates – especially in January and March – from about 1.7% at end-2014 to about 1.1% at 31 March 2015.

January was characterised by a decline in interest rates, including the effect of the ECB's announcement of expanded asset purchases and the pressure on the Danish krone when the Swiss central bank abandoned its peg vis-à-vis the euro – two events that pushed long-term Danish interest rates lower.

In March, the ECB's bond purchase programme followed, including substantial purchases of long-term German government bonds, which sent interest rates even lower both in Germany and in Denmark.

Nykredit Bank's portfolio of interest rate swaps involves no direct interest rate risk due to its hedging arrangements with major domestic and foreign banks.

Therefore, value adjustments should chiefly be seen in the context of

Nykredit Bank Group Results before tax for 1 January – 31 March by business area

DKK million	Retail		Wholesale		Group Items		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Core income from:								
customer activities, gross	243	284	745	514	16	(18)	1,004	780
payment for distribution	155	141	(155)	(141)	0	-	-	-
Core income from business operations	398	425	590	373	16	(18)	1,004	780
Value adjustment of derivatives	(568)	(307)	(493)	77	-	-	(1,061)	(230)
Core income from securities	-	-	-	-	3	7	3	7
Total core income	(170)	118	97	450	19	(11)	(54)	557
Operating costs	246	244	175	208	81	75	502	527
Core earnings before impairment losses	(416)	(126)	(78)	242	(62)	(86)	(556)	30
Impairment losses on loans and advances	16	64	(35)	(27)	0	3	(19)	40
Core earnings after impairment losses	(432)	(190)	(43)	269	(62)	(89)	(537)	(10)
Investment portfolio income	-	-	-	-	49	9	49	9
Profit (loss) before tax for the period	(432)	(190)	(43)	269	(13)	(80)	(488)	(1)
- Excluding value adjustment of derivatives	136	117	450	192	(13)	(80)	573	229
Costs excl impairment losses as % of core income from business operations	61.8	57.4	29.7	55.8	-	-	50.0	67.6

provisions prompted by a conservative assessment of the uncertainty about the legal set-up of cooperative housing and customers' financial outlook. The level was particularly affected by the development in 30-year swap rates, which amounted to about 1.1% as at 31 March 2015 against some 1.7% at end-2014.

Nykredit Bank's earnings will change by DKK 1.5bn-2.3bn, upwards as well as downwards, if the interest rate level changes by 1 percentage point. This level included a DKK 1.5bn change relating to business with customers in the lowest rating category, while the remaining interest rate sensitivity results from business in respect of which the value adjustments mainly depend on the development in legal risk in the cooperative housing area.

Value adjustments should still be considered provisions for potential future losses. At the same time, valuations are based on a conservative assessment. Thus, the entire market value of swap contracts with customers having the lowest rating has been written down to DKK 0.

At the same time, it should be noted that to a significant extent provisions have been made to cover the risk that some judicial decisions in the cooperative housing area will go against Nykredit's interests. However, the decisions are expected to be in Nykredit's favour. In the longer term, the major part of the provisions is expected to be recognised as income.

Losses incurred on interest rate swaps since 2012 amounted to some DKK 350m and are expected to remain at a relatively low level compared with the total provisions of about DKK 6.4bn. The relatively large provisions are mainly due to the fact that swap contracts with customers having the lowest rating are valued at DKK 0. The provisions are thus higher than the expected losses based on probability-weighted loss scenarios. The losses incurred amounted to DKK 48m in Q1/2015.

In Q1/2015, no judicial decisions relating to cooperative housing affected the valuation of interest rate swaps.

Core income from securities

Core income from securities decreased from DKK 7m in Q1/2014 to DKK 3m, which was a result of a capital increase of DKK 2.0bn and a change in the risk-free interest rate, which dropped from an average of 0.20% in Q1/2014 to an average of 0.08%. The risk-free interest rate is based on the Danish central bank's lending rate.

Operating costs, depreciation and amortisation

Staff and administrative expenses fell by DKK 29m, or 5.7%, to DKK 479m. Payroll costs accounted for a decline of DKK 27m, or 13.0%, and other administrative expenses dropped by DKK 2m.

Payroll costs and other administrative expenses matched expectations, and the level was not affected by expenses relating to "Nykredit 2015" or organisational changes within Nykredit Markets, as provisions for costs in this regard were made in 2014.

The average number of full-time staff totalled 769 compared with 860 in Q1/2014 and an average of 820 for 2014. Compared with Q1/2014, the number of staff members decreased by 91 or 10.6%.

Impairment losses and provisions

Impairment losses and provisions developed favourably from losses of DKK 40m in Q1/2014 to an income of DKK 19m in Q1/2015, equal to a positive development of DKK 59m.

Impairment losses for the period comprised a rise of DKK 209m in individual impairment provisions and a drop of DKK 221m in collective impairment provisions. The change was among other things attributable to the transfer of one single large exposure from collective to individual impairment provisioning. Incurred losses and recoveries on claims previously written off came to a net income of DKK 7m.

Provisions for guarantees amounted to DKK 0m against DKK 10m in Q1/2014.

Impairment losses in Retail reduced by DKK 48m to DKK 16m. This reduction comprised a decline of DKK 51m in impairment losses on personal customers and a rise of DKK 3m in small and medium-sized enterprises (SMEs).

Wholesale loan impairments were an income of DKK 35m against an income of DKK 27m in Q1/2014. Impairment losses in Group Items decreased by DKK 3m.

Impairment losses for the period under review were unchanged at 0.0% of loans, advances and guarantees.

Investment portfolio income

Investment portfolio income was DKK 49m compared with DKK 9m in Q1/2014. This higher income was partly driven by the interest rate decline in Q1/2015 and resultant capital gains on the bond portfolio.

Investment portfolio income equals excess income obtained from portfolios not allocated to the business areas in addition to risk-free interest.

Tax

Tax calculated for the period was an income of DKK 113m, equal to 23.2% of loss before tax.

OUTLOOK FOR 2015

In our Annual Report 2014, we expected profit before tax, excluding value adjustment of interest rate swaps, to range between DKK 800m and DKK 900m in 2015. For Q1/2015, profit was DKK 573m.

In Q1/2015, several areas developed favourably and somewhat surpassed expectations for the period.

Management maintains its profit guidance, excluding value adjustments and interest rate swaps, of between DKK 800m and DKK 900m for the full year due to the fact that the fixed income market development and loan impairment continued to be subject to some uncertainty.

BUSINESS AREAS

The Nykredit Bank Group's business areas are:

- Retail, which serves personal customers as well as small and medium-sized enterprises (SMEs)
- Wholesale, which comprises the business units Corporate & Institutional Banking, Nykredit Leasing, Private Banking, Nykredit Markets and Nykredit Asset Management.
- Group Items, which comprises the Bank's Treasury area and other income and costs, including IT development costs, not allocated to the business areas as well as core income from securities and investment portfolio income.

The business areas were adjusted to reflect Nykredit's new organisation, which was implemented in H1/2014. Compared with the presentation in Q1/2014, the most significant change is that Private Banking and the subsidiary Nykredit Leasing A/S are now included in Wholesale instead of Retail (SMEs). The Bank's results, equity and balance sheet have not been affected by the change, and comparative figures have been restated.

Gross income from customer business is generally allocated to the business areas which have supplied the individual products, which include Corporate & Institutional Banking, Nykredit Leasing A/S, Nykredit Markets and Nykredit Asset Management. Gross income attributable to the sales activities of Retail is subsequently reallocated in full. Correspondingly, Retail pays a proportion of the capacity costs of Nykredit Markets and Nykredit Asset Management attributable to the sales activities.

RETAIL

Retail posted a loss before tax of DKK 432m compared with a loss of DKK 190m in Q1/2014. Excluding value adjustment of interest rate swaps, profit was DKK 136m against DKK 117m in Q1/2014, an improvement of DKK 19m.

Value adjustment of interest rate swaps totalled a charge of DKK 568m in Q1/2015 against a charge of DKK 307m in Q1/2014, equal to a negative earnings impact of DKK 261m.

Wholesale: Income from customer activities and income allocation

DKK million	Q1/2015	Q1/2014
Customer activities, gross		
Nykredit Markets	326	137
Nykredit Asset Management	210	194
Corporate & Institutional Banking	209	183
Total	745	514
Income allocation		
Nykredit Markets	(101)	(66)
Nykredit Asset Management	(120)	(120)
Corporate & Institutional Banking	66	45
Total allocation to Retail	(155)	(141)
Core income		
Nykredit Markets	225	71
Nykredit Asset Management	90	74
Corporate & Institutional Banking	275	228
Total	590	373

Core income from business operations was DKK 398m, a DKK 27m decrease on Q1/2014. This decline was broadly composed of higher fees of about DKK 7m and lower net interest income of about DKK 34m.

Operating costs amounted to DKK 246m against DKK 244m in Q1/2014. This development matched expectations.

Impairment losses reduced from DKK 64m in Q1/2014 to DKK 16m, of which DKK 27m related to impairment losses on personal customers and DKK 11m to SMEs.

Impairment losses were unchanged at 0.0% of loans and advances compared with Q1/2014.

Costs (excluding impairment losses) as a percentage of core income from business operations totalled 61.8% compared with 57.4% in Q1/2014.

Lending and deposits

The business area's lending activities were fairly stable at DKK 25.2bn relative to DKK 25.5bn at end-2014. Deposits were unchanged at DKK 40.7bn compared with end-2014.

WHOLESALE

Wholesale consists of the business units Corporate & Institutional Banking, Nykredit Markets, Nykredit Asset Management and the subsidiary Nykredit Leasing A/S. Also, Wholesale includes the unit Other Activities, which comprises a portfolio of large non-continuing exposures.

Results

The business area posted a loss of DKK 43m in Q1/2015 compared with a profit of DKK 269m in Q1/2014. Excluding value adjustment of interest rate swaps, the business area performed satisfactorily, from a profit of DKK 192m in Q1/2014 to DKK 450m, equal to a rise of DKK 258m.

The rise was notably an effect of increased core income from business operations, which was up by DKK 217m to DKK 590m.

The area's gross income totalled DKK 745m against DKK 514m in Q1/2014.

Of this amount, gross income from Nykredit Markets was DKK 326m, up DKK 189m compared with Q1/2014, income from Nykredit Asset Management was DKK 16m above the Q1/2014 level and income from Corporate & Institutional Banking rose by DKK 26m from DKK 183m to DKK 209m.

Earnings in Nykredit Markets, including securities trading for institutional clients, grew both in terms of higher fixed income market activity and earnings from the trading book prompted by lower interest rates. This development was notably driven by high market volatility, declining interest rate levels seen in continuation of the ECB's market operations and the currency turmoil. Growth in customer transactions related to both Danish and international investors with increased focus on Denmark.

Gross income from Nykredit Asset Management was DKK 210m, which was DKK 16m above the level in Q1/2014. Assets under management amounted to DKK 140bn, corresponding to a rise of DKK 26bn com-

pared with end-Q1/2014. Assets under administration totalled DKK 723bn against DKK 613bn at end-Q1/2014 and DKK 669bn at end-2014.

Core earnings

The business area's core income from business operations was DKK 590m, up DKK 217m from Q1/2014, which was mainly a result of a DKK 154m earnings increase in Nykredit Markets. Aggregate income from Corporate & Institutional Banking and Nykredit Asset Management was DKK 63m above the level in Q1/2014.

Value adjustment of derivatives saw an adverse development of DKK 570m from a credit of DKK 77m in Q1/2014 to a charge of DKK 493m in Q1/2015.

Operating costs were down by DKK 33m to DKK 175m compared with Q1/2014. Compared with the cost level in Q1/2014, costs in Q1/2015 partly reflected the reorganisation in Nykredit Markets, including the closing of the Stockholm branch by end-January.

Impairment losses on loans and advances equalled an income of DKK 35m against an income of DKK 27m in Q1/2014. The income in Q1/2015 comprised DKK 10m relating to Corporate & Institutional Banking and DKK 25m relating to non-continuing exposures in the business unit Other Activities.

Impairment losses on loans and advances represented income of 0.1% excluding reverse repurchase lending – the same as in Q1/2014.

Operating costs as a percentage of core income from business operations were 29.7% compared with 55.8% in Q1/2014.

The subsidiary Nykredit Portefølje Administration delivered a profit before tax of DKK 24m against DKK 20m in Q1/2014.

The subsidiary Nykredit Leasing contributed a profit before tax of DKK 18m against DKK 12m in Q1/2014.

Lending and deposits

Lending amounted to DKK 24.1bn compared with DKK 24.9bn at end-2014.

Deposits came to DKK 26.6bn against DKK 23.3bn at end-2014.

GROUP ITEMS

Group Items includes the results of the Bank's treasury area, which forms part of Nykredit's Group Treasury, core earnings and investment portfolio income from securities as well as other income and expenses not allocated to the business areas. Significant unallocated costs include IT development costs.

Group Items posted a loss of DKK 13m against a loss of DKK 80m in Q1/2014. Treasury activities accounted for DKK 13m of the loss incurred in Q1/2015.

Core income was DKK 16m compared with a loss of DKK 18m in Q1/2014, while operating costs grew by DKK 6m to DKK 81m.

Core earnings and investment portfolio income from securities were DKK 52m against DKK 16m in Q1/2014.

Unallocated costs were DKK 81m against DKK 75m in Q1/2014. In Q1/2015, the item mainly consisted of IT development expenses of DKK 79m. In Q1/2014 these expenses chiefly resulted from unallocated IT costs of DKK 57m and payment of DKK 9m to the Guarantee Fund for Depositors and Investors.

BALANCE SHEET, EQUITY, CAPITAL ADEQUACY AND RATINGS

Nykredit Bank Group Lending and deposits

DKK million	31.03.2015	31.12.2014	31.03.2014
Lending			
Retail	25,225	25,533	22,790
Personal customers	13,089	13,229	13,440
Commercial	12,136	12,304	9,350
Wholesale	24,157	24,929	25,280
Loans and advances at fair value (reverse repurchase lending)	29,569	35,228	35,831
Group Items and other lending	23	32	8
Deposits			
Retail	40,725	40,637	37,079
Personal customers	22,810	23,332	21,585
Commercial	17,915	17,305	15,494
Wholesale	26,645	23,287	30,472
Deposits at fair value (repo)	1,325	13,855	23,339
Group Items and other deposits	462	1,425	1,142

Comparative figures for Q1/2014 have been restated to reflect the new organisation. Lending and deposits were principally affected by transfers from Retail to Wholesale. Total deposits and lending are unchanged.

Nykredit Bank Group Equity

DKK million	31.03.2015	31.12.2014	31.03.2014
Equity, beginning of period	12,575	14,347	14,347
Paid-up capital	2,000	-	-
Loss after tax for the period	(375)	(1,772)	(10)
Equity, end of period	14,200	12,575	14,337

Nykredit Bank Group Common Equity Tier 1 capital, own funds and capital adequacy

DKK million	31.03.2015	31.12.2014	31.03.2014
Share capital	8,045	6,045	6,045
Retained earnings	6,155	6,530	8,292
Equity, end of period	14,200	12,575	14,337
Prudent valuation adjustment	(510)	(435)	(305)
Intangible assets	(52)	(55)	(21)
Deduction for difference between IRB losses and impairments	-	(42)	-
CET1 capital	13,639	12,044	14,012
Additional Tier 1 capital	100	100	250
Other deductions	-	(85)	(50)
Tier 1 capital	13,739	12,059	14,212
Provisions relative to expected losses in accordance with IRB approach	400	390	359
Transitional adjustment of Tier 2 capital	-	(85)	-
Own funds	14,139	12,365	14,571
Total risk exposure amount	90,403	94,051	90,661
Total capital ratio, %	15.6	13.1	16.1
Tier 1 capital ratio, %	15.1	12.8	15.7
CET1 capital ratio, %	15.0	12.8	15.5
Internal capital adequacy requirement, %	12.2	11.7	11.1

NYKREDIT BANK GROUP

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

Balance sheet

The balance sheet stood at DKK 219.0bn compared with DKK 229.9bn at end-2014.

Balances with credit institutions and cash balances grew by DKK 8.8bn to DKK 42.7bn, whereas loans and advances at fair value (reverse repurchase lending) decreased by DKK 5.7bn to DKK 29.6bn.

Loans and advances at amortised cost were DKK 49.4bn, a DKK 1.1bn decline from end-2014. The decline was evenly distributed between Retail and Wholesale.

The bond portfolio decreased from DKK 65.0bn at end-2014 to DKK 43.6bn. The portfolio may fluctuate significantly from one reporting period to another, which should be seen in continuation of the Bank's repo activities, trading positions and general liquidity management. The portfolio mainly consisted of high-rated covered bonds.

Other assets totalled DKK 52.4bn against DKK 44.2bn at end-2014. At 31 March 2015, DKK 46.8bn derived from positive market values of derivatives compared with DKK 39.1bn at end-2014. The positive market values related to the Bank's customer activities in derivatives and own positions for hedge accounting purposes. The interest rate risk was widely hedged through offsetting interest rate swaps, and the market value should therefore be viewed in the context of "Other liabilities", which included negative market values of DKK 41.4bn.

Moreover, "Other assets" included interest and commission receivable.

Payables to credit institutions and central banks decreased from DKK 63.9bn at end-2014 to DKK 61.6bn.

Deposits and other payables came to DKK 67.8bn, a DKK 2.4bn rise from end-2014, when deposits were DKK 65.4bn. Retail deposits were unchanged at DKK 40.7bn, whereas Wholesale deposits increased by DKK 3.4bn. Group Items and other deposits decreased by DKK 1.0bn.

The Bank's deposit surplus was DKK 18.4bn relative to lending at amortised cost.

Bonds in issue fell from DKK 25.9bn at end-2014 to DKK 24.4bn. The level is continuously adapted to the Bank's liquidity needs.

Other non-derivative financial liabilities at fair value, which include deposits relating to repo transactions, came to DKK 4.9bn against DKK 19.9bn at end-2014. The development was due to fewer repo deposits.

Other payables and deferred income totalled DKK 45.7bn against DKK 41.9bn at end-2014. The items mainly consisted of negative market values of financial instruments in the amount of DKK 41.4bn as well as interest and commission payable.

Equity

Equity stood at DKK 14.2bn at 31 March 2015. Compared with end-2014, equity increased by DKK 2.0bn as a result of a share capital increase and was reduced by the loss for the period of DKK 0.4bn.

Own funds and total capital ratio

Own funds totalled DKK 14.1bn at 31 March 2015 compared with DKK 12.4bn at end-2014, and the total capital ratio stood at 15.6% against 13.1% at end-2014. The internal capital adequacy requirement was 12.2% at 31 March 2015 against 11.7% at end-2014.

Nykredit Bank aims to have a Tier 1 capital ratio of at least 13%. At 31 March 2015, the Tier 1 capital ratio was 15.1% against 12.8% at end-2014. The CET1 capital ratio came to 15.0% at 31 March 2015 compared with 12.8% at end-2014.

The total risk exposure amount (previously risk-weighted assets) declined by DKK 3.7bn compared with end-2014 to DKK 90.4bn. This development comprised a decline of DKK 1.9bn in items involving credit risk, a drop of DKK 0.3bn in items involving operational risk and a decline of DKK 1.5bn in items involving market risk. The decline in market risk was prompted by a reduced bond portfolio.

CREDIT RATINGS

Nykredit Bank is rated by Standard & Poor's and Fitch Ratings.

Standard & Poor's has assigned Nykredit Bank a short-term rating of A-1 and a long-term rating of A+. As at 12 May 2015 the rating was placed on CreditWatch with negative implications.

Nykredit expects to improve Standard & Poor's rating via issuance of a type of senior debt etc in compliance with the ALAC (Additional Loss-Absorbing Capacity) methodology.

Fitch Ratings has assigned Nykredit a long-term unsecured rating of A with stable outlook and a short-term unsecured rating of F1.

IMPAIRMENT LOSSES AND LENDING

Earnings impact for the period

Impairment losses on loans and advances reduced DKK 59m from DKK 40m in Q1/2014 to an income of DKK 19m in Q1/2015.

Impairment losses in Retail fell by DKK 48m to DKK 16m. Of this decline, impairment losses on lending to SMEs accounted for an increase of DKK 3m and lending to personal customers for a reduction of DKK 51m.

Wholesale impairments were an income of DKK 35m against an income of DKK 27m in Q1/2014, equivalent to a positive earnings impact of DKK 8m. The impairment charge for Corporate & Institutional Banking decreased by DKK 9m to an income of DKK 10m, while the business unit Other Activities contributed an income of DKK 25m compared with an income of DKK 27m in Q1/2014.

Income from other areas totalled DKK 0m in Q1/2015.

Of the total income of DKK 19m, a net amount of DKK 209m related to individual impairment provisions, while collective impairment provisions were an income of DKK 221m. Recoveries on loans and advances previously written off totalled DKK 12m, while write-offs for the period came to a charge of DKK 5m.

The difference between individual and collective impairment provisions was among other things attributable to the transfer of one single large exposure from collective to individual impairment provisioning.

Provisions for guarantees amounted to DKK 0m in Q1/2015.

Provisions – Nykredit Bank Group

DKK million	Retail		Wholesale		Group Items		Total	
	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014
Impairment provisions, beginning of period	1,978	2,277	1,526	1,634	77	83	3,581	3,994
Impairment provisions and reversals for the period	(33)	(15)	(42)	(138)	(1)	1	(76)	(151)
Impairment provisions, end of period	1,945	2,262	1,484	1,496	76	84	3,505	3,843
Of which individual	1,826	2,090	1,315	1,326	54	62	3,195	3,480
Of which individual, banks	-	-	-	-	22	22	22	22
Of which collective	119	172	169	170	-	-	288	341
Provisions for guarantees								
Provisions, beginning of period	51	48	55	55	-	-	106	103
Provisions, end of period	50	55	56	58	-	-	106	112
Total provisions, end of period	1,995	2,317	1,540	1,554	76	84	3,611	3,955
Earnings impact								
New impairment provisions and losses for the period, net	24	61	(31)	(25)	0	3	(7)	39
Recoveries on loans and advances previously written off	7	4	5	4	0	0	12	8
Total	17	57	(36)	(29)	0	3	(19)	31
Provisions for guarantees	(1)	7	1	2	0	0	0	9
Total earnings impact	16	64	(35)	(27)	0	3	(19)	40

Loans, advances and guarantees by sector at 31 March 2015 and 31 December 2014

DKK million	Loans, advances and guarantees		Provisions	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
Public sector	806	596	0	0
Agriculture, hunting, forestry and fishing	2,894	3,230	101	138
Manufacturing, mining and quarrying	5,556	5,526	280	269
Energy supply	827	1,055	9	9
Construction	1,962	2,087	237	236
Trade	3,302	3,309	104	119
Transport, accommodation and food service activities	3,022	2,930	118	91
Information and communication	808	1,027	61	62
Finance and insurance	34,797	40,420	288	305
Real estate	13,385	13,071	1,494	1,540
Other	9,294	9,643	293	305
Total commercial customers	75,847	82,298	2,985	3,074
Personal customers	22,640	23,721	604	592
Total public sector and commercial and personal customers	99,293	106,615	3,589	3,666
Total impairment provisions, incl banks	-	-	3,611	3,687

The breakdown is based on public sector statistics and is therefore not directly comparable with Nykredit Bank's business areas.

Provisions at 31 March 2015

Total impairment provisions decreased by 9% from DKK 3,843m at 31 March 2014 to DKK 3,505m at 31 March 2015. Individual impairment provisions reduced DKK 285m and collective impairment provisions DKK 53m.

This compared with a reduction in impairment provisions from DKK 3,581m to DKK 3,505m at end-2014. The change in individual impairment provisions resulted in new impairment provisions of DKK 209m net, while DKK 66m was write-offs. Collective impairment provisions decreased from DKK 509m to DKK 288m, partly driven by the transfer of one single large exposure to individual impairment provisioning.

Impairment provisions for Retail fell back from DKK 1,978m at end-2014 to DKK 1,945m due to a rise of DKK 13m in impairment provisions for personal customers and a decline of DKK 46m in impairment provisions for SMEs.

Wholesale impairment provisions dropped by DKK 42m from DKK 1,526m at end-2014 to DKK 1,484m, of which the portfolio of non-continuing exposures accounted for a decline of DKK 29m to DKK 550m. Other business units fell by DKK 13m compared with end-2014.

Total non-continuing exposures were fairly unchanged at DKK 0.6bn at 31 March 2015 (carrying amounts after impairments).

Provisions for guarantees were DKK 106bn, which was unchanged from end-2014.

Relative to total loans, advances and guarantees, provisions were 3.5% against 3.3% at end-2014. Excluding guarantees, the percentage was 4.2% against 4.0% at end-2014.

Loans, advances and guarantees by sector

Loans, advances and guarantees totalled DKK 99bn at 31 March 2015 against DKK 107bn at end-2014. This development comprised a decline of DKK 6bn in reverse repurchase lending and of DKK 1bn in other loans, advances and guarantees. Reverse repurchase lending totalled DKK 29bn at 31 March 2015 compared with DKK 35bn at end-2014.

Finance and insurance still accounted for the largest single sector exposure at DKK 35bn against DKK 40bn at end-2014. The exposure widely comprised reverse repurchase lending.

Finance and insurance accounted for 35.0% (end-2014: 37.9%), the real estate sector 13.5% (end-2014: 12.3%) and personal customers 22.8% (end-2014: 22.9%).

Supervisory Diamond for banks (parent company level)

DKK million	Q1/2015	2014	Q1/2014
Lending growth (limit value <20%)*	(2.3)	6.8	2.2
Large exposures (limit value <125%)	11.2	34.5	15.1
Property exposure (limit value <25%)	14.9	13.6	12.5
Funding ratio (limit value <1.0%)	0.5	0.6	0.5
Excess liquidity coverage (limit value 50%)	309.2	281.6	270.4

* Determined exclusive of reverse repurchase lending

Nykredit Bank recorded negative lending growth of 2.3%, excluding reverse repurchase lending, determined pursuant to the rules of the Danish FSA. The Danish FSA's lending limit value indicates that growth of 20% or more may imply increased risk-taking.

Inclusive of reverse repurchase lending, the Bank's lending decreased by 7.9% relative to end-2014.

Lending to the real estate and construction sectors totalled DKK 15bn at end-March 2015 against DKK 15bn at end-2014. Of total loans, advances and guarantees at 31 March 2015, DKK 12bn derived from the category "Renting of real estate" compared with DKK 11bn at end-2014.

At 31 March 2015, loan impairment provisions for the real estate sector totalled DKK 1.7bn, or 10% of total loans and advances to the sector, the same as at end-2014.

Determined pursuant to the FSA Supervisory Diamond model, the Bank's real estate exposure was 14.9% compared with 13.6% at end-2014. In Management's opinion, this exposure is at an appropriate level.

The FSA Supervisory Diamond

Nykredit Bank's key ratios were below the maximum limit values of the Danish FSA throughout Q1/2015.

LIQUIDITY AND FINANCIAL RISK

LIQUIDITY

Liquidity risk reflects the risk of loss as a result of insufficient liquidity to cover current payment obligations.

Nykredit Bank monitors its balance sheet and liquidity position on a daily basis as part of its liquidity risk management. The Bank's liquidity risk management is based on external requirements, both statutory and from rating agencies, as well as on internal factors such as the run-off profile and concentration risk of its assets and liabilities.

New liquidity rules and rating requirements require the Bank to hold a large liquidity buffer. Unencumbered securities in the trading book constitute a short-term liquidity buffer that may be applied in the case of unforeseen drains on the Bank's liquidity. These securities consist mainly of liquid Danish and other European government and covered bonds eligible as collateral with the Danish central bank or other European central banks.

Stress testing is performed regularly using bank-specific, sector-specific and combination scenarios as prescribed by the Danish Executive Order on governance and management of banks.

According to the Danish Financial Business Act, a bank's liquidity must be at least 10% of its total reduced debt and guarantee obligations. Nykredit Bank operates with an internal excess liquidity coverage of at least 50% relative to the statutory requirement.

At 31 March 2015, the excess coverage was 309% against 270% at 31 March 2014, corresponding to a liquidity buffer of DKK 70.7bn compared with DKK 62.9bn at 31 March 2014. In Q1/2015, the liquidity buffer averaged DKK 46.6bn compared with an average of DKK 47.2bn for Q1/2014.

At 31 March 2015, the Bank had issued DKK 16.2bn of medium-term bonds under the EMTN programme and DKK 10.4bn of short-term ECP issues.

The aggregate amount of bonds in issue under the ECP and EMTN programmes was thus DKK 26.9bn at 31 March 2015 against DKK 28.0bn at end-2014.

Total run-off under Nykredit Bank's EMTN programme in Q1/2015 was DKK 1.9bn. The EMTN and ECP issuance requirement depends on the development in customer deposits and lending as well as the Bank's other business activities.

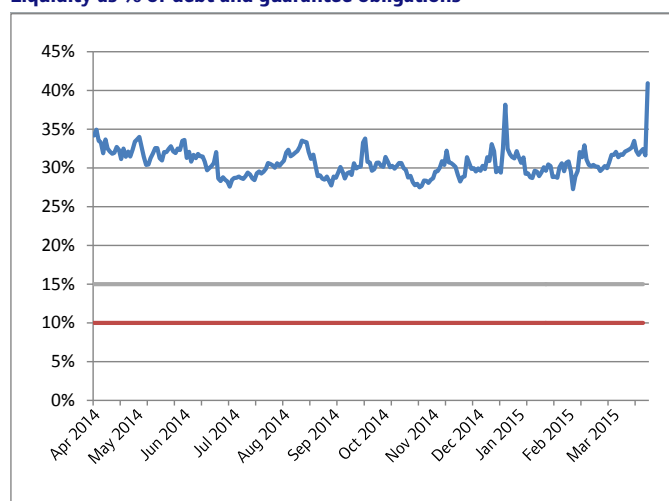
Liquidity Coverage Ratio

On 10 October 2014, the European Commission published the regulation on LCR, which must be met as at 1 October 2015. A requirement of 100% is expected for Danish SIFIs as at 1 October 2015.

The LCR denotes the amount of high quality liquid assets (HQLAs) to be held by a credit institution to be able to cover net cash outflows over a short-term liquidity stress.

The LCR of Nykredit Bank A/S excluding self-issued bonds was 122% at end-Q1/2015. Nykredit Bank A/S thus complies with the requirement of an LCR above 100%.

Nykredit Bank A/S Liquidity as % of debt and guarantee obligations



— Liquidity relative to statutory requirement — Statutory requirement

— Nykredit Bank's internal requirement

Note: The graph shows Nykredit Bank's liquidity as % of total debt and guarantee obligations after deductions, cf s 152 of the Danish Financial Business Act.

Nykredit Bank Group
Risk key figures

DKK million	Q1/2015	Q1/2014	FY 2014
Value-at-Risk			
End of period	19	20	20
Average	24	17	11
Interest rate exposure			
End of period	45	97	73
Foreign exchange position			
EUR	(130)	589	45
Excl EUR and DKK	7	39	(40)

FINANCIAL RISK

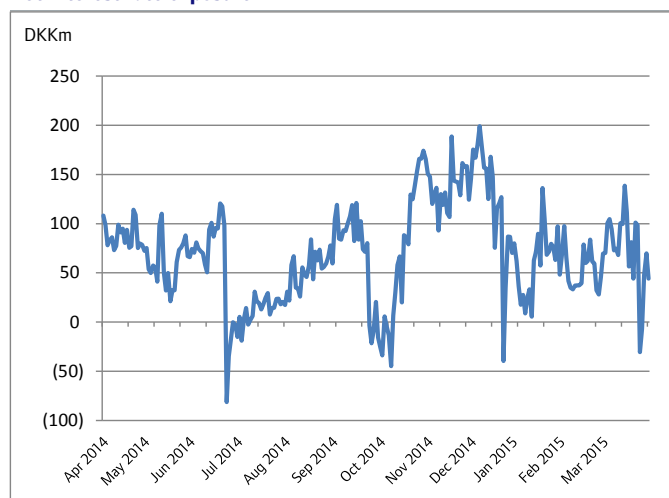
Value-at-Risk (VaR) came to DKK 19m at 31 March 2015 against DKK 20m at 31 March 2014. VaR averaged DKK 24m in Q1/2015 against DKK 17m in Q1/2014.

Stressed VaR was DKK 37m at end-March 2015 and averaged DKK 39m in Q1/2015. At end-Q1/2014, stressed VaR was DKK 61m and averaged DKK 50m.

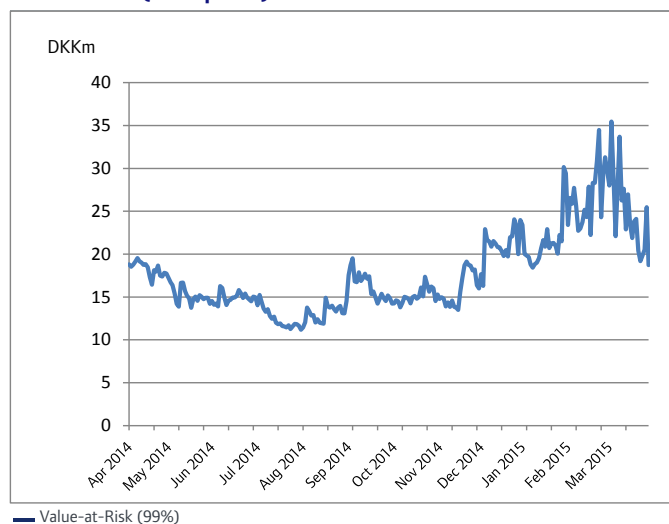
The interest rate exposure was DKK 45m against DKK 97m at 31 March 2014.

The Bank's foreign exchange position in EUR was DKK 130m at 31 March 2015 against DKK 589m at 31 March 2014. Its foreign exchange position in currencies other than EUR and DKK totalled DKK 7m at 31 March 2015 against DKK 39m at 31 March 2014.

Nykredit Bank A/S
Net interest rate exposure



Nykredit Bank A/S
Value-at-Risk (incl equities)



— Value-at-Risk (99%)

OTHER

OTHER

Capital increase

To support Nykredit Bank's business development and strengthen its capital position, the Bank received additional equity of DKK 2bn from its Parent Company, Nykredit Realkredit A/S, on 5 February 2015.

Closing of Stockholm branch

As part of the reorganisation of the Fixed Income unit of Nykredit Markets, the Bank's branch in Stockholm was closed down at end-January 2015.

BoligBank

In March Nykredit launched a new homeowner banking concept, BoligBank, with new competitive offers to our customers. The concept offers simple products to homeowners at fixed, attractive prices and is characterised by simplicity, transparency and freedom of choice. The objective is that it should be easy and simple to be a customer of Nykredit BoligBank.

Customers have a choice of three programmes, with an increasing scale of benefits: BoligBank, BoligBank 360 and BoligBank 365. BoligBank is for all homeowners, whereas BoligBank 360 is aimed at the customers who also have their everyday banking with us. Customers who have wealth assets in excess of DKK 500,000 are offered the BoligBank 365 programme.

BoligBank both offers home finance, everyday banking, savings and pension plans and wealth management.

New Head of Nykredit Markets and change in Nykredit Bank's Executive Board

Nykredit Markets is set to embark on a renewal process, and Jeanette Kiirdal Madsen, newly appointed Head of Nykredit Markets, will be in charge of this process. Nykredit Markets is to adapt to the new market conditions and work more closely with the rest of the Wholesale division. Focus will to a higher extent be on meeting the requirements of the commercial and retail segments as a supplement to the existing institutional client base.

Further, Georg Andersen, former Managing Director of Nykredit Bank and Head of Nykredit Markets, stepped down from his position. The Executive Board of Nykredit Bank now consists of Bjørn Mortensen and Jesper Berg.

UNCERTAINTY AS TO RECOGNITION AND MEASUREMENT

The measurement of certain assets and liabilities is based on accounting estimates made by Group Management.

The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment, unlisted financial instruments and other provisions, see the Annual Report 2014.

Uncertainty as to recognition and measurement is described in detail in the Group's accounting policies (note 1 of the Annual Report 2014), to which reference is made.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

No significant events have occurred in the period up to the presentation of the Q1 Interim Report 2015 which affect the Nykredit Bank Group's financial position.

MANAGEMENT STATEMENT

MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for 1 January – 31 March 2015 of Nykredit Bank A/S and the Nykredit Bank Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The Interim Financial Statements of the Parent Company, Nykredit Bank A/S, have been presented in accordance with the Danish Financial Business Act and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

Further, the Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

We are of the opinion that the Interim Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 31 March 2015 and of the results of the Group's and the Parent Company's operations as well as the Group's cash flows for the financial period 1 January – 31 March 2015.

We are furthermore of the opinion that the Management's Review gives a fair review of the development in the operations and financial circumstances of the Group and the Parent Company as well as a description of the material risk and uncertainty factors which may affect the Group and the Parent Company.

The Interim Report has not been audited or reviewed.

Copenhagen, 13 May 2015

Executive Board

Bjørn Mortensen

Jesper Berg

Board of Directors

Michael Rasmussen, Chairman

Søren Holm, Deputy Chairman

Kent Ankensen, staff-elected

Olav Brusén Barsøe, staff-elected

Kim Duus

Allan Kristiansen, staff-elected

Anders Jensen

Bente Overgaard

Statements of income and comprehensive income for 1 January – 31 March

DKK million

Nykredit Bank A/S				Nykredit Bank Group	
Q1/2014	Q1/2015		Note	Q1/2015	Q1/2014
871	583	Interest income	5	613	897
0	4	Negative interest rates, net	5a	4	0
267	165	Interest expenses	6	165	267
604	422	NET INTEREST INCOME		452	630
2	0	Dividend on equities		0	2
273	318	Fee and commission income		384	331
105	124	Fee and commission expenses		128	106
774	616	NET INTEREST AND FEE INCOME		708	857
(297)	(718)	Value adjustments	7	(720)	(298)
0	0	Other operating income		7	7
458	429	Staff and administrative expenses	8	479	508
2	4	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets		4	2
15	18	Other operating expenses		19	17
36	(23)	Impairment losses on loans, advances and receivables	9	(19)	40
25	33	Profit from investments in associates and group enterprises	10	-	-
(9)	(497)	LOSS BEFORE TAX		(488)	(1)
1	(122)	Tax	11	(113)	9
(10)	(375)	LOSS FOR THE PERIOD		(375)	(10)
		STATEMENT OF COMPREHENSIVE INCOME			
(10)	(375)	LOSS FOR THE PERIOD		(375)	(10)
-	-	- Other additions and disposals		-	-
-	-	OTHER COMPREHENSIVE INCOME		-	-
(10)	(375)	COMPREHENSIVE INCOME FOR THE PERIOD		(375)	(10)

Balance sheets, end of period

DKK million

Nykredit Bank A/S			Nykredit Bank Group		
31.12.2014	31.03.2015		Note	31.03.2015	31.12.2014
ASSETS					
4,417	17,466	Cash balances and demand deposits with central banks		17,466	4,417
29,467	25,232	Receivables from credit institutions and central banks	12	25,233	29,468
35,228	29,569	Loans, advances and other receivables at fair value	13	29,569	35,228
49,024	47,914	Loans, advances and other receivables at amortised cost	14	49,404	50,494
64,625	43,247	Bonds at fair value	15	43,603	64,972
341	411	Equities	16	411	342
869	903	Investments in group enterprises		-	-
55	52	Intangible assets		52	55
14	9	Other property, plant and equipment		10	14
614	750	Current tax assets		739	618
36	30	Deferred tax assets		0	0
47	45	Assets in temporary possession	17	45	47
44,169	52,400	Other assets	18	52,447	44,206
14	61	Prepayments		72	22
228,920	218,089	TOTAL ASSETS		219,051	229,883

Balance sheets, end of period

DKK million

Nykredit Bank A/S				Nykredit Bank Group	
31.12.2014	31.03.2015		Note	31.03.2015	31.12.2014
LIABILITIES AND EQUITY					
63,131	60,904	Payables to credit institutions and central banks	19	61,649	63,876
65,440	67,939	Deposits and other payables	20	67,832	65,350
25,881	24,427	Bonds in issue at amortised cost	21	24,427	25,881
19,943	4,930	Other non-derivative financial liabilities at fair value	22	4,930	19,943
29	29	Liabilities temporarily assumed		29	29
41,631	45,385	Other liabilities	23	45,654	41,880
1	2	Deferred income		4	4
216,056	203,616	TOTAL PAYABLES		204,525	216,963
Provisions					
-	-	Provisions for deferred tax		53	56
106	106	Provisions for losses under guarantees	24	106	106
83	67	Other provisions	24	67	83
189	173	TOTAL PROVISIONS		226	245
100	100	Subordinated debt	25	100	100
Equity					
6,045	8,045	Share capital		8,045	6,045
Other reserves					
385	385	Statutory reserves		-	-
6,145	5,770	Retained earnings		6,155	6,530
12,575	14,200	TOTAL EQUITY		14,200	12,575
228,920	218,089	TOTAL LIABILITIES AND EQUITY		219,051	229,883
OFF-BALANCE SHEET ITEMS					
20,993	20,420	Contingent liabilities	26	20,320	20,893
4,685	4,535	Other commitments	27	4,632	4,839
		Accounting policies	1		
		Capital and capital adequacy	2		
		Core earnings and investment portfolio income	3		
		Business areas	4		
		Related party transactions and balances	28		
		Loans, advances, guarantees and provisions	29		
		Financial assets and liabilities at fair value (IFRS hierarchy)	30		
		Foreign exchange and interest rate exposures	31		
		Group structure	32		
		Nykredit Bank Group – seven quarters	33		
		Nykredit Bank Group – financial highlights	34		

Statement of changes in equity for 1 January – 31 March

DKK million

Nycredit Bank A/S

	Share capital *	Statutory reserves	Retained earnings	Total
EQUITY, 31 MARCH 2015				
End of previous financial year	6,045	385	6,145	12,575
Total	6,045	385	6,145	12,575
Comprehensive income				
Loss for the period	-	-	(375)	(375)
Total comprehensive income	-	-	(375)	(375)
Capital increase	2,000			2,000
Total changes in equity	2,000	-	(375)	(1,625)
Equity at 31 March 2015	8,045	385	5,770	14,200
EQUITY, 31 MARCH 2014				
End of previous financial year	6,045	260	8,042	14,347
Total	6,045	260	8,042	14,347
Comprehensive income				
Loss for the period	-	-	(10)	(10)
Total comprehensive income	-	-	(10)	(10)
Total changes in equity	-	-	(10)	(10)
Equity, 31 March 2014	6,045	260	8,032	14,337

Statement of changes in equity for 1 January – 31 March

DKK million

Nycredit Bank Group

	Share capital*	Retained earnings	Total
EQUITY, 31 MARCH 2015			
End of previous financial year	6,045	6,530	12,575
Total	6,045	6,530	12,575
Comprehensive income			
Loss for the period		(375)	(375)
Total comprehensive income	-	(375)	(375)
Capital increase	2,000		2,000
Total changes in equity	2,000	(375)	(1,625)
Equity, 31 March 2015	8,045	6,155	14,200
EQUITY, 31 MARCH 2014			
End of previous financial year	6,045	8,302	14,347
Total	6,045	8,302	14,347
Comprehensive income			
Loss for the period	-	(10)	(10)
Total comprehensive income	-	(10)	(10)
Total changes in equity	-	(10)	(10)
Equity, 31 March 2014	6,045	8,292	14,337

* The share capital breaks down into 19 shares in multiples of DKK 1m. The share capital is wholly owned by Nycredit Realkredit A/S, Copenhagen, Denmark.

Nycredit Bank is included in the consolidated financial statements of this company and the consolidated financial statements of Foreningen Nykredit, Kalvebod Brygge 1-3, Copenhagen, Denmark, which owns 89.80% of Nykredit Realkredit A/S. The financial statements [in Danish] of Foreningen Nykredit may be obtained from the company.

Cash flow statement 1 January – 31 March

DKK million

	Nykredit Bank Group	
	Q1/2015	Q1/2014
Loss after tax for the period	(375)	(10)
Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions		
Depreciation and impairment losses for property, plant and equipment	4	2
Other non-cash changes	(1)	(16)
Impairment losses on loans, advances and receivables	(7)	49
Tax calculated on loss for the period	(113)	9
Total	(117)	44
Profit (loss) for the period adjusted for non-cash operating items	(492)	34
Change in working capital		
Loans, advances and other receivables	7,144	19,886
Deposits and other payables	1,642	3,192
Payables to credit institutions and central banks	(2,301)	2,805
Bonds at fair value	23,061	(19,915)
Equities	(69)	(1)
Other working capital	(19,544)	3,329
Total	9,933	9,296
Corporation tax paid, net	(10)	(9)
Cash flows from operating activities	9,431	9,321
Cash flows from investing activities		
Property, plant and equipment	3	(1)
Total	3	(1)
Cash flows from financing activities		
Capital increase	2,000	-
Subordinated debt	0	0
Bonds in issue	(2,710)	(2,871)
Total	(710)	(2,871)
Total cash flows	8,724	6,449
Cash and cash equivalents, beginning of period	33,885	23,173
Foreign currency translation adjustment of cash	90	(233)
Cash and cash equivalents, end of period	42,699	29,389
Cash and cash equivalents, end of period		
Specification of cash and cash equivalents, end of period:		
Cash balances and demand deposits with central banks	17,466	3,193
Receivables from credit institutions and central banks	25,233	26,196
Cash and cash equivalents, end of period	42,699	29,389

Notes

1. ACCOUNTING POLICIES

GENERAL

The Consolidated Financial Statements for Q1/2015 are prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS, but also a less detailed presentation relative to the annual report.

The Interim Financial Statements for Q1/2015 of the Parent Company are prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (the Danish Executive Order on the Presentation of Financial Statements) issued by the Danish Financial Supervisory Authority (FSA).

New and amended standards, interpretations and reporting provisions

Reporting standards and interpretations in force from 1 January 2015 have been implemented with no effect on results, comprehensive income, balance sheet or equity for the period.

Compared with the information disclosed in the accounting policies of the Annual Report 2014 (note 1), no new reporting standards or interpretations have been issued or approved which influence the Q1 Interim Report 2015 of Nykredit Bank A/S and the Nykredit Bank Group.

Change in the presentation of business areas

The presentation of the Group's business areas has been adjusted to reflect the organisational changes implemented in H1/2014.

The primary change was the transfer of Nykredit Leasing A/S and the business unit Private Banking from Retail to Wholesale. Also, business activities with partner banks in the business unit Bank Distribution have been transferred from Group Items, Treasury, to Wholesale.

Income and costs relating to Nykredit Leasing A/S that can be attributed to Retail activities are allocated to Retail.

In Q1/2015 the most significant effect of the organisational changes was the allocation of profit before tax of around DKK 23m from Retail to Wholesale.

The changes do not affect Nykredit Bank's or the Nykredit Bank Group's results, comprehensive income, balance sheet or equity.

Comparative figures have been restated. Please refer to note 4 of this report.

The accounting policies are otherwise unchanged compared with the Annual Report 2014. For a full description of the Group's and the Parent Company's accounting policies, please refer to note 1 of the Annual Report 2014, which is available at nykredit.com/reports.

All figures in the Interim Report are rounded to the nearest million kroner (DKK). The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

Notes

DKK million

	31.03.2015	31.12.2014	31.03.2014
2. CAPITAL AND CAPITAL ADEQUACY			
Nykredit Bank A/S			
Equity	14,200	12,575	14,337
Prudent valuation adjustment	(509)	(435)	(305)
Intangible assets	(52)	(54)	(21)
Deduction for difference between IRB losses and impairments	-	(41)	-
Common Equity Tier 1 capital deductions	(561)	(530)	(326)
Common Equity Tier 1 capital	13,639	12,045	14,011
Additional Tier 1 capital	100	100	250
Transitional adjustment of Additional Tier 1 capital		(85)	(50)
Additional Tier 1 capital	100	15	200
Tier 1 capital	13,739	12,060	14,211
Provisions for expected losses in accordance with IRB approach	420	409	359
Transitional adjustment of Tier 2 capital	-	(85)	-
Own funds	14,159	12,384	14,570
Credit risk	76,999	77,086	72,565
Market risk	10,880	12,417	14,018
Operational risk	4,046	4,361	4,361
Credit value adjustments (CVA)	1,044	1,041	-
Total risk exposure amount	92,969	94,905	90,944
Tier 1 capital ratio, %	14.7	12.7	15.6
Total capital ratio, %	15.2	13.0	16.0

Capital and capital adequacy have been determined in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (the Capital Requirements Regulation) as well as the Danish transitional rules laid down by the Danish FSA.

Notes

DKK million

	31.03.2015	31.12.2014	31.03.2014
2. CAPITAL AND CAPITAL ADEQUACY (continued)			
Nykredit Bank Group			
Equity	14,200	12,575	14,337
Prudent valuation adjustment	(509)	(435)	(305)
Intangible assets	(52)	(54)	(21)
Deduction for difference between IRB losses and impairments	-	(41)	-
Common Equity Tier 1 capital deductions	(561)	(530)	(326)
Common Equity Tier 1 capital	13,639	12,045	14,011
Additional Tier 1 capital	100	100	250
Transitional adjustment of Additional Tier 1 capital	-	(85)	(50)
Additional Tier 1 capital	100	15	200
Tier 1 capital	13,739	12,060	14,211
Provisions for expected losses in accordance with IRB approach	400	390	359.0
Transitional adjustment of Tier 2 capital	-	(85)	-
Own funds	14,139	12,365	14,570
Credit risk	73,839	75,689	71,739
Market risk	10,880	12,417	14,018
Operational risk	4,640	4,904	4,904
Credit value adjustments (CVA)	1,044	1,041	-
Total risk exposure amount	90,403	94,051	90,661
Tier 1 capital ratio, %	15.1	12.8	15.7
Total capital ratio, %	15.6	13.1	16.1

Notes

DKK million

Nycredit Bank Group

3. CORE EARNINGS AND INVESTMENT PORTFOLIO INCOME	Q1/2015			Q1/2014		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
1 January – 31 March						
Net interest income	425	27	452	619	11	630
Dividend on equities	0	0	0	1	1	2
Fee and commission income, net	256	0	256	226	(1)	225
Net interest and fee income	681	27	708	846	11	857
Value adjustments	(742)	22	(720)	(296)	(2)	(298)
Other operating income	7	-	7	7	-	7
Staff and administrative expenses	479	-	479	508	-	508
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	4	-	4	2	-	2
Other operating expenses	19	-	19	17	-	17
Impairment losses on loans and advances	(19)	-	(19)	40	-	40
Profit (loss) before tax	(537)	49	(488)	(10)	9	(1)

Notes

DKK million

Nykredit Bank Group

4. BUSINESS AREAS

Q1/2015	Retail	Wholesale	Group Items	Total
Core income from				
- customer activities, gross	243	745	16	1,004
- payment for distribution	155	(155)	0	-
Total business operations	398	590	16	1,004
- value adjustment of derivatives	(568)	(493)	-	(1,061)
- core income from securities	-	-	3	3
Total*	(170)	97	19	(54)
Operating costs	246	175	81	502
Core earnings before impairment losses	(416)	(78)	(62)	(556)
Impairment losses on loans and advances	16	(35)	0	(19)
Core earnings after impairment losses	(432)	(43)	(62)	(537)
Investment portfolio income ¹	-	-	49	49
Loss before tax for the period	(432)	(43)	(13)	(488)
* Of which transactions between business areas	115	(108)	(7)	0
Operating costs as well as depreciation of property, plant and equipment and amortisation of intangible assets as % of core income from business operations	61.8	29.7	-	50.0
Average allocated business capital	5,650	7,014	787	13,451
Core earnings after impairment losses as % of allocated capital (pa)	(30.6)	(2.5)	-	(16.0)
Q1/2014	Retail	Wholesale	Group Items	Total
Core income from				
- customer activities, gross	284	514	(18)	780
- payment for distribution	141	(141)	0	0
Total business operations	425	373	(18)	780
- value adjustment of derivatives	(307)	77	-	(230)
- core income from securities	-	-	7	7
Total*	118	450	(11)	557
Operating costs	244	208	75	527
Core earnings before impairment losses	(126)	242	(86)	30
Impairment losses on loans and advances	64	(27)	3	40
Core earnings after impairment losses	(190)	269	(89)	(10)
Investment portfolio income ¹	-	-	9	9
Profit (loss) before tax for the period	(190)	269	(80)	(1)
* Of which transactions between business areas	121	(227)	106	0
Operating costs as well as depreciation of property, plant and equipment and amortisation of intangible assets as % of core income from business operations	57.4	55.8	-	67.6
Average allocated business capital	6,181	6,630	1,187	13,998
Core earnings after impairment losses as % of allocated capital (pa)	(12.3)	16.2	-	(0.3)

As a result of the reorganisation, comparative figures have been restated, thus reducing Retail results by DKK 31m and increasing Wholesale and Group Items results by DKK 22m and DKK 9m, respectively. Core income was particularly affected by a transfer of about DKK 65m from Retail to Wholesale. Operating costs relating to Retail were down DKK 24m, whereas Wholesale saw an increase of DKK 29m. Impairment losses in Retail dropped DKK 9m, which was allocated to Wholesale.

¹ Investment portfolio income equals the return on the Bank's own portfolio exceeding risk-free interest.

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
Q1/2014	Q1/2015	Q1/2015	Q1/2014
5. INTEREST INCOME			
10	1	1	10
602	519	547	627
254	195	196	255
(1)	(131)	(131)	(1)
	Of which		
5	46	46	5
(7)	(166)	(166)	(7)
(13)	(11)	(11)	(13)
14	-	-	14
6	(1)	0	6
871	583	613	897
Of which interest income from genuine purchase and resale transactions entered as			
9	0	0	9
67	0	0	67
5a. Negative interest rates			
	Interest income		
-	(11)	(11)	-
-	(10)	(10)	-
-	(21)	(21)	-
	Interest expenses		
-	(21)	(21)	-
-	(4)	(4)	-
-	(25)	(25)	-
-	4	4	-
6. INTEREST EXPENSES			
67	20	20	67
102	64	64	102
95	79	79	95
2	1	1	2
1	1	1	1
267	165	165	267
Of which interest expenses for genuine sale and repurchase transactions entered as			
45	6	6	45
17	-	-	17
7. VALUE ADJUSTMENTS			
0	(3)	(3)	0
(72)	124	123	(73)
23	66	66	23
(149)	70	69	(149)
(99)	(975)	(975)	(99)
(297)	(718)	(720)	(298)

Value adjustments mainly relate to financial assets, financial liabilities and derivative financial instruments included in the Bank's/Group's trading activities.

No value adjustments have been made for own credit risk on bonds in issue or other financial liabilities.

Notes

DKK million

Nykredit Bank A/S				Nykredit Bank Group	
Q1/2014	Q1/2015			Q1/2015	Q1/2014
8. STAFF AND ADMINISTRATIVE EXPENSES					
2	2	Remuneration of Board of Directors and Executive Board		2	2
182	152	Staff expenses		180	207
274	275	Administrative expenses		297	299
458	429	Total		479	508
Remuneration of Board of Directors and Executive Board					
Board of Directors					
0	0	Remuneration		0	0
Staff-elected board representatives each receive annual remuneration of DKK 60,000. No additional remuneration is paid to the Board of Directors.					
Executive Board					
2	2	Salaries		2	2
2	2	Total		2	2
The terms and conditions governing the remuneration and pensions of the Executive Board have not changed since the Annual Report 2014, to which reference is made.					
Staff expenses					
145	122	Salaries		145	165
14	12	Pensions (defined contribution plans)		15	17
23	18	Social security expenses		20	25
182	152	Total		180	207
714	619	Average number of staff, full-time equivalents		769	860
9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES					
Specification of impairment provisions					
3,435	3,147	Individual impairment provisions for loans, advances and receivables		3,194	3,478
23	23	Individual impairment provisions for receivables from credit institutions		23	23
341	285	Collective impairment provisions		288	342
3,799	3,455	Total, 31 March		3,505	3,843
Individual impairment provisions for loans, advances and receivables					
3,563	3,006	Impairment provisions, beginning of period		3,051	3,605
188	324	Impairment provisions for the period		335	198
135	118	Impairment provisions reversed		126	142
181	65	Impairment provisions written off		66	183
3,435	3,147	Total, 31 March		3,194	3,478
Individual impairment provisions for receivables from credit institutions					
19	23	Impairment provisions, beginning of period		23	19
4	0	Impairment provisions for the period		0	4
23	23	Total, 31 March		23	23
Collective impairment provisions					
369	507	Impairment provisions, beginning of period		509	370
(28)	(222)	Impairment provisions for the period, net		(221)	(28)
341	285	Total, 31 March		288	342

Notes

DKK million

Nykredit Bank A/S				Nykredit Bank Group	
Q1/2014	Q1/2015			Q1/2015	Q1/2014
9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)					
Earnings impact					
29	(16)	Change in provisions for loan and receivable impairment		(12)	32
5	5	Write-offs for the period, net		5	7
8	12	Recoveries on claims previously written off		12	9
26	(23)	Total impairment losses		(19)	30
10	0	Provisions for guarantees		0	10
36	(23)	Total		(19)	40
64	199	Of which individual impairment provisions		202	68
(28)	(222)	Of which collective impairment provisions		(221)	(28)
4	0	Of which credit institutions		0	4
Receivables from credit institutions with objective evidence of impairment					
25	25	Receivables subject to individual impairment provisioning		25	25
23	23	Impairment provisions		23	23
2	2	Carrying amount		2	2
Loans and advances with objective evidence of impairment					
5,245	4,830	Loans and advances at amortised cost subject to individual impairment provisioning		4,957	5,372
3,435	3,147	Impairment provisions		3,194	3,478
1,810	1,683	Carrying amount		1,763	1,894
45,425	46,516	Loans and advances at amortised cost subject to collective impairment provisioning		47,929	46,491
341	285	Impairment provisions		288	342
45,084	46,231	Carrying amount		47,641	46,149
10. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES					
25	33	Profit from investments in group enterprises		-	-
-	-	Profit from investments in associates		-	-
25	33	Total		-	-
11. TAX					
1	(122)	Tax for the period		(113)	9
1	(122)	Total		(113)	9
3	0	Of which effect due to change in future tax level (deferred tax)		0	3
(11.1)	24.5	Tax on loss for the period, %		23.2	(900.0)
Tax is calculated on the basis of a tax rate of 23.5% for 2015. Due to a change in the tax rate from 25% in 2013 to 22% in 2016, the calculation of the Bank's deferred tax is based on an estimate of when the deferred tax will become current tax/the deferred tax assets will be realised.					
The full-year tax rate is expected to be around 20-25%.					

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	31.03.2015		31.03.2015	31.12.2014
12. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
8,746	6,698	Receivables at call from central banks	6,698	8,746
20,721	18,534	Receivables from credit institutions	18,535	20,722
29,467	25,232	Total	25,233	29,468
6,663	8,502	Of which genuine purchase and resale transactions	8,502	6,663
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE				
35,228	29,569	Genuine purchase and resale transactions	29,569	35,228
35,228	29,569	Total	29,569	35,228
14. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST				
49,024	47,914	Loans and advances at amortised cost	49,404	50,494
49,024	47,914	Total	49,404	50,494
15. BONDS AT FAIR VALUE				
49,300	38,138	Covered bonds (realkreditobligationer, ROs)	38,494	49,647
8,079	1,229	Government bonds	1,229	8,079
9,337	6,353	Other bonds	6,353	9,337
66,716	45,720	Total	46,076	67,063
2,091	2,473	Self-issued bonds offset against bonds in issue	2,473	2,091
64,625	43,247	Total	43,603	64,972
The effect of fair value adjustment was recognised in the income statement.				
3,123	3,499	Of which redeemed bonds	3,499	3,123
25,558	8,006	Assets sold as part of genuine sale and repurchase transactions	8,006	25,558
16,462	9,412	As collateral for the Danish central bank, Danmarks Nationalbank, and foreign clearing centres, etc, bonds have been deposited of a total market value of	9,412	16,462
The collateral was provided on an arm's length basis.				

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	31.03.2015		31.03.2015	31.12.2014
16. EQUITIES				
122	184	Listed on Nasdaq Copenhagen	184	123
9	10	Listed on other stock exchanges	10	9
210	217	Unlisted equities carried at fair value	217	210
341	411	Total	411	342
17. ASSETS IN TEMPORARY POSSESSION				
79	47	Assets, beginning of year	47	212
6	2	Additions	2	6
38	4	Disposals	4	171
47	45	Total	45	47
<p>At 31 December 2014 and 31 March 2015, assets in temporary possession comprised acquired properties and shares in a property company.</p> <p>Nykredit Bank accepts mortgages over real estate as security for loans. In a number of instances, the Bank acquires the properties in the event of borrowers' non-performance of loan agreements etc.</p> <p>The valuation of assets in temporary possession is based on the expected sales values in case of disposal within a period of 12 months.</p>				
18. OTHER ASSETS				
3,509	2,851	Interest and commission receivable	2,880	3,539
39,078	46,810	Positive market value of derivative financial instruments	46,810	39,078
1,582	2,739	Other	2,757	1,589
44,169	52,400	Total	52,447	44,206
19. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS				
3,441	3,770	Payables to central banks	3,770	3,441
59,690	57,134	Payables to credit institutions	57,879	60,435
63,131	60,904	Total	61,649	63,876
11,723	6,438	Of which genuine sale and repurchase transactions	6,438	11,723
20. DEPOSITS AND OTHER PAYABLES				
45,969	48,374	On demand	48,267	45,879
5,306	4,823	At notice	4,823	5,306
11,142	11,885	Time deposits	11,885	11,142
3,023	2,857	Special deposits	2,857	3,023
65,440	67,939	Total	67,832	65,350
Deposit surplus				
65,440	67,939	Deposits and other payables at amortised cost	67,832	65,350
49,024	47,914	Loans, advances and other receivables at amortised cost	49,404	50,494
16,416	20,025	Total	18,428	14,856
13,855	1,325	Deposits attributable to genuine sale and repurchase transactions in "Other non-derivative financial liabilities at fair value"	1,325	13,855

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	31.03.2015		31.03.2015	31.12.2014
21. BONDS IN ISSUE AT AMORTISED COST				
Issues				
17,858	16,221	EMTN issues*	16,221	17,858
10,107	10,403	ECP issues*	10,403	10,107
7	276	Other issues*	276	7
27,972	26,900	Total	26,900	27,972
2,091	2,473	Own portfolio	2,473	2,091
25,881	24,427	Total	24,427	25,881
No value adjustments have been made that can be attributed to changes in own credit risk.				
* Listed on Nasdaq Copenhagen or the Luxembourg Stock Exchange.				
22. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE				
13,855	1,325	Deposits at fair value	1,325	13,855
6,088	3,605	Negative securities portfolios	3,605	6,088
19,943	4,930	Total	4,930	19,943
13,855	1,325	Of "Deposits at fair value", genuine sale and repurchase transactions total	1,325	13,855
23. OTHER LIABILITIES				
3,663	3,250	Interest and commission payable	3,250	3,663
37,474	41,412	Negative market value of derivative financial instruments	41,412	37,474
494	723	Other payables	992	743
41,631	45,385	Total	45,654	41,880

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
31.12.2014	31.03.2015	31.03.2015	31.12.2014
24. PROVISIONS			
Provisions for losses under guarantees			
103	106	106	103
32	3	3	32
28	3	3	28
1	0	0	1
106	106	106	106
Other provisions			
69	83	83	69
28	0	0	28
14	16	16	14
83	67	67	83
Total provisions for losses under guarantees and other provisions			
172	189	189	172
60	3	3	60
28	3	3	28
15	16	16	15
189	173	173	189
<p>As a result of its operations, the Bank continuously enters into contracts where it is probable that the settlement of the liability will lead to an outflow of the Bank's financial resources, and where a reliable estimate may be made of the size of the liability.</p> <p>The balance sheet items in the financial statements represent the Bank's best estimates of the expected costs relating to provisions.</p> <p>The provisions typically concern contractual obligations relating to loans and advances and other banking activities.</p> <p>It is estimated that the majority of provisions will be settled within 1-2 years.</p>			
25. SUBORDINATED DEBT			
Subordinated debt consists of financial liabilities in the form of Additional Tier 1 capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.			
Additional Tier 1 capital			
100	100	100	100
100	100	100	100
Included in the determination of own funds			
100	100	100	100
-	-	-	-
No value adjustments have been made that can be attributed to changes in own credit risk.			

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	31.03.2015		31.03.2015	31.12.2014
		26. CONTINGENT LIABILITIES		
15,206	13,800	Financial guarantees	13,800	15,206
1,279	1,288	Registration and refinancing guarantees	1,288	1,279
4,508	5,332	Other contingent liabilities	5,232	4,408
20,993	20,420	Total	20,320	20,893

OTHER CONTINGENT LIABILITIES*Legal proceedings*

The Bank's operations involve the Bank in legal proceedings and litigation, including tax disputes. The cases are subject to ongoing review, and necessary provisions are made based on an assessment of the risk of loss. Pending cases are not expected to have a significant effect on the Nykredit Bank Group's financial position.

Bankernes EDB Central (BEC)

Nykredit Bank's IT solutions are provided by BEC. According to BEC's articles of association, Nykredit Bank may terminate its membership of BEC giving 5 years' notice to expire at the end of a financial year. Should the membership terminate for other reasons related to Nykredit Bank, withdrawal compensation must be paid to BEC as defined in BEC's articles of association. If a bank merges and ceases being an independent bank, the BEC membership terminates without notice but with a possible transition scheme.

Guarantee Fund for Depositors and Investors

Nykredit Bank participates in the mandatory Danish Guarantee Fund for Depositors and Investors. Participating banks must pay a fixed annual amount of 2.5‰ of the covered net deposits. Payment to the Fund's bank department is mandatory until the assets of the scheme exceed 1% of the covered net deposits of the sector, which is expected at end-2015. The bank department bears any direct losses on the winding-up of Danish banks to the extent the loss is attributable to the covered net deposits.

Any losses arising from the final winding-up are covered by the Guarantee Fund for Depositors and Investors through its winding-up and restructuring department. Nykredit Bank's share of the expense will amount to about 3%.

Joint taxation

The Company is jointly taxed in Denmark with Foreningen Nykredit as the administration company. Pursuant to the Danish Corporation Tax Act, the Company is liable for income taxes etc payable by the jointly taxed companies as of the financial year 2013 and for any obligations to withhold tax at source on the interest, royalties or dividends of these companies as of 1 July 2012.

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	31.03.2015		31.03.2015	31.12.2014
27. OTHER COMMITMENTS				
4,508	4,358	Irrevocable credit commitments	4,358	4,508
177	177	Other	274	331
4,685	4,535	Total	4,632	4,839

28. RELATED PARTY TRANSACTIONS AND BALANCES

The Parent Company Nykredit Realkredit, its parent company as well as group enterprises and associates are regarded as related parties. In addition, Nykredit Bank's group enterprises and associates are included as stated in the group structure as well as the Bank's Board of Directors, its Executive Board and related parties thereof.

No unusual related party transactions occurred in 2014 or in Q1/2015.

The companies have entered into various agreements as a natural part of the Group's day-to-day operations. The agreements typically involve financing, provision of guarantees, insurance, sales commission, tasks relating to IT support and IT development projects, payroll and staff administration as well as other administrative tasks.

Intercompany trading in goods and services took place on an arm's length, cost reimbursement or profit split basis.

Significant related party transactions prevailing/entered into in 2014 or 2015 include:

Agreements between Nykredit Realkredit A/S and Nykredit Bank A/S

Framework agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas.

Agreements between Nykredit Bank A/S and Nykredit Holding A/S

Nykredit Holding A/S has issued letters of comfort to third parties in specific cases.

Notes

DKK million

Nycredit Bank Group

29. LOANS, ADVANCES, GUARANTEES AND PROVISIONS

Loans, advances, guarantees and provisions by sector

31 March 2015

	Loans and advances	Carrying amount		Proportion, %	Provisions		Total
		Guarantees	Total loans, advances and guarantees		Individual and other provisions	Collective impairment provisions	
Public sector	220	586	806	0.8	0	0	0
Commercial customers							
Agriculture, hunting, forestry and fishing	1,679	1,215	2,894	2.9	94	7	101
Manufacturing, mining and quarrying	5,262	294	5,556	5.6	257	23	280
Energy supply	785	42	827	0.8	9	0	9
Construction	1,372	590	1,962	2.0	235	2	237
Trading	2,763	539	3,302	3.3	100	4	104
Transport, accommodation and food service activities	2,567	455	3,022	3.0	116	2	118
Information and communication	614	194	808	0.8	60	1	61
Finance and insurance	32,922	1,875	34,797	35.0	282	6	288
Real estate	10,200	3,185	13,385	13.5	1,328	166	1,494
Other	8,006	1,288	9,294	9.4	287	6	293
Total commercial customers	66,170	9,677	75,847	76.4	2,768	217	2,985
Personal customers	12,583	10,057	22,640	22.8	536	68	604
Total	78,973	20,320	99,293	100.0	3,304	285	3,589
Of which reverse repurchase lending (loans and advances at fair value)	29,569	-	29,569		-	-	-

31 December 2014

	Loans and advances	Carrying amount		Proportion, %	Provisions		Total
		Guarantees	Total loans, advances and guarantees		Individual and other provisions	Collective impairment provisions	
Public sector	219	377	596	0.6	0	0	0
Commercial customers							
Agriculture, hunting, forestry and fishing	1,810	1,420	3,230	3.0	130	8	138
Manufacturing, mining and quarrying	5,246	280	5,526	5.2	241	28	269
Energy supply	970	85	1,055	1.0	9	0	9
Construction	1,376	711	2,087	2.0	234	2	236
Trading	2,909	400	3,309	3.1	116	3	119
Transport, accommodation and food service activities	2,500	430	2,930	2.7	89	2	91
Information and communication	842	185	1,027	1.0	60	2	62
Finance and insurance	38,609	1,811	40,420	37.9	298	7	305
Real estate	10,261	2,810	13,071	12.3	1,164	376	1,540
Other	8,257	1,386	9,643	9.0	296	9	305
Total commercial customers	72,780	9,518	82,298	77.2	2,637	437	3,074
Personal customers	12,723	10,998	23,721	22.2	520	72	592
Total	85,722	20,893	106,615	100.0	3,157	509	3,666
Of which reverse repurchase lending (loans and advances at fair value)	35,228	-	35,228	33.0	-	-	-

Provisioning rate, %

Group	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014	Q4/2013	Q3/2013
Total loans and advances	78,973	85,722	88,438	92,236	83,909	103,838	99,345
Total guarantees	20,320	20,893	13,801	12,028	12,306	11,620	10,709
Impairment provisions for loans and advances at amortised cost	3,482	3,560	3,706	3,742	3,820	3,975	4,099
Provisions for guarantees	106	106	116	110	113	103	143
Total loans, advances, guarantees and provisions	102,881	110,281	106,061	108,116	100,148	119,536	114,296
Provisioning rate, %	3.5	3.3	3.6	3.6	3.9	3.4	3.7
Provisioning rate excluding guarantees, %	4.2	4.0	4.0	3.9	4.4	3.7	4.0

Notes

DKK million

Nycredit Bank Group

30. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (IFRS HIERARCHY)

31 March 2015

	Listed prices	Observable inputs	Unobservable inputs	Fair value total
Assets				
Recognised as trading book:				
- reverse repurchase lending to credit institutions and central banks		8,502		8,502
- other reverse repurchase lending		29,569		29,569
- bonds at fair value	37,764	5,839		43,603
- equities measured at fair value through profit or loss	247		164	411
- positive fair value of derivative financial instruments	2,605	42,569	1,636	46,810
Fair value, 31 March 2015, assets	40,616	86,479	1,800	128,895
Percentage	31.5	67.1	1.4	100.0

Liabilities

Recognised as trading book:

- repo transactions with credit institutions and central banks		6,438		6,438
- other non-derivative financial liabilities at fair value	3,605	1,325		4,930
- negative fair value of derivative financial instruments	2,302	38,732	378	41,412
Fair value, 31 March 2015, liabilities	5,907	46,495	378	52,780
Percentage	11.2	88.1	0.7	100.0

Assets and liabilities measured on the basis of unobservable inputs

	Bonds	Equities	Derivatives	Total
Fair value, beginning of period, assets		169	1,312	1,481
Transferred from Listed prices and Observable inputs		0	46	46
Transferred to Listed prices and Observable inputs		0	(3)	(3)
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement		1	281	282
Realised capital gains and losses recognised in "Value adjustments" in the income statement		(1)	0	(1)
Purchases for the period		0	0	0
Sales for the period		(5)	0	(5)
Redemptions for the period		0	0	0
Fair value, 31 March 2015, assets		164	1,636	1,800
Fair value, beginning of period, liabilities			297	297
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement			81	81
Realised capital gains and losses recognised in "Value adjustments" in the income statement			0	0
Redemptions for the period			0	0
Fair value, 31 March 2015, liabilities			378	378

Reclassifications from Observable inputs to Unobservable inputs principally consist of interest rate swaps individually adjusted for increased credit risk.

For 2015 unrealised negative value adjustments of DKK 201m relating to the portfolio of financial instruments measured on the basis of unobservable inputs were recognised in the income statement at 31 March 2015.

Notes

DKK million

Nycredit Bank Group

30. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (IFRS HIERARCHY) (continued)

31 December 2014

	Listed prices	Observable inputs	Unobservable inputs	Total (carrying amounts)
Assets				
Recognised as trading book:				
- reverse repurchase lending to credit institutions and central banks		6,663		6,663
- other reverse repurchase lending		35,228		35,228
- bonds at fair value	59,802	5,170		64,972
- equities measured at fair value through profit or loss	173		169	342
- positive fair value of derivative financial instruments	1,170	36,596	1,312	39,078
Fair value, 31 December 2014, assets	61,145	83,657	1,481	146,283
Percentage	41.8	57.2	1.0	100.0

Liabilities

Recognised as trading book:

- repo transactions with credit institutions and central banks		11,723		11,723
- other non-derivative financial liabilities at fair value	6,088	13,855		19,943
- negative fair value of derivative financial instruments	1,100	36,077	297	37,474
Fair value, 31 December 2014, liabilities	7,188	61,655	297	69,140
Percentage	10.4	89.2	0.4	100.0

Financial instruments measured on the basis of unobservable inputs

	Bonds	Equities	Derivatives	Total
Fair value, beginning of period, assets		118	1,294	1,412
Transferred from Listed prices and Observable inputs		0	3,442	3,442
Transferred to Listed prices and Observable inputs		0	(1,147)	(1,147)
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement		24	(2,275)	(2,251)
Realised capital gains and losses recognised in "Value adjustments" in the income statement		17	0	17
Purchases for the period		61	0	61
Sales for the period		(51)	0	(51)
Redemptions for the period			(2)	(2)
Fair value, 31 December 2014, assets		169	1,312	1,481
Fair value, beginning of period, liabilities			242	242
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement			148	148
Realised capital gains and losses recognised in "Value adjustments" in the income statement			0	0
Redemptions for the period			(93)	(93)
Fair value, 31 December 2014, liabilities			297	297

Reclassifications from Observable inputs to Unobservable inputs principally consist of interest rate swaps individually adjusted for increased credit risk.

For 2014 unrealised negative value adjustments of DKK 2,257m relating to the portfolio of financial instruments measured on the basis of unobservable inputs were recognised in the income statement at 31 December 2014.

Notes

30. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE (IFRS HIERARCHY) (continued)

Listed prices

The Group's assets and liabilities at fair value are to the widest extent possible recognised at listed prices or prices quoted in an active market or authorised market place.

Observable inputs

When an instrument is not traded in an active market, measurement is based on observable inputs and generally accepted calculation methods, valuation and estimation techniques such as discounted cash flows and option models.

Observable inputs are typically yield curves, volatilities and market prices of similar instruments which are usually obtained through ordinary providers such as Reuters, Bloomberg or market makers. If the fair value is based on transactions in similar instruments, measurement is exclusively based on transactions at arm's length. Reverse repurchase lending and repo transactions as well as unlisted derivatives generally belong in this category.

Valuation techniques are generally applied to measure derivatives and unlisted assets and liabilities.

Further, the valuation of derivatives implies the use of so-called Credit Value Adjustment (CVA), thus including counterparty credit risk in the valuation. The CVA adjustment, comprising DKK 0.3bn of the positive market value of the derivatives, is primarily based on external credit curves such as Itraxx Main, but also on inter-company data as regards customers without OEI in the lowest rating categories, as there are no available external curves suitable for calculation of credit risk on these customers. Upon entering into financial derivatives contracts, further provisions are made in the form of a so-called minimum margin for liquidity, credit risk and return on capital. The minimum margin is amortised at valuation of derivatives over the time-to-maturity. At 31 March 2015, the non-amortised minimum margin amounted to DKK 456m compared with DKK 470m at end-2014. Finally, in some instances further value adjustment based on management judgement is made if the models do not take into account all known risks, including eg legal risks.

In some cases, markets, eg the bond market, become inactive and illiquid. When assessing market transactions, it may therefore be difficult to conclude whether the transactions were executed at arm's length or were forced sales. If measurement is based on recent transactions, the transaction price is compared with a price based on relevant yield curves and discounting techniques.

Unobservable inputs

When it is not possible to measure financial instruments at fair value based on prices in active markets or observable inputs, measurement is based on own assumptions and extrapolations etc. Where possible and appropriate, measurement is based on actual transactions adjusted for differences in eg the liquidity, credit spreads and maturities of the instruments. The Group's unlisted equities are generally classified under this heading although valuation is based on the IPEV Valuation Guidelines.

The positive market values of individual product types/customer groups, including housing cooperatives, have been adjusted for increased credit risk by means of management judgement. Interest rate swaps which have been fair value adjusted to DKK 0 (after deduction for collateral) due to the creditworthiness of the counterparty are also included in the category Unobservable inputs. Following value adjustment, the fair value came to DKK 1,312m at 31 March 2015 and thus represents the majority of derivatives with positive market values in this category. Credit value adjustments came to DKK 5,581m at 31 March 2015 (end-2014: DKK 4,832m).

The interest rate risk on these interest rate swaps is hedged in all material respects. However, interest rate fluctuations may impact results to the extent that the market value is adjusted due to increased counterparty credit risk. A 0.1 percentage point change in interest rate levels will impact the fair value by around +/- DKK 192m.

However, financial assets measured on the basis of unobservable inputs account for a very limited part of total financial assets at fair value. At 31 March 2015, the proportion was 1.4% against 1.0% at end-2014. The proportion of financial liabilities was 0.7% against 0.4% at end-2014.

Valuation, notably of instruments classified as unobservable inputs, is subject to some uncertainty. Of total assets and liabilities, DKK 1.8bn (end-2014: DKK 1.5bn) and DKK 0.4bn (end-2014: DKK 0.3bn), respectively, were attributable to this category. Assuming that an actual market price will deviate by +/- 10% from the calculated fair value, the earnings impact will be approximately DKK 218m in 2015 (1.53% of equity at 31 March 2015). The earnings impact for 2014 has been estimated at DKK 178m (1.41% of equity at 31 December 2014).

Reclassifications between the categories Listed prices, Observable inputs and Unobservable inputs are made when an instrument is classified differently on the balance sheet date than at the beginning of the financial year. In 2015 and 2014, reclassifications between the categories Observable inputs and Unobservable inputs mainly resulted from changes to the rating categories (credit risk) of counterparties and in all material respects derived from interest rate swaps. Reclassifications between the categories Listed prices and Observable inputs in all material respects resulted from redeemed bonds that were reclassified on redemption and came to DKK 3.5bn at 31 March 2015.

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
31.03.2014	31.03.2015	31.03.2015	31.03.2014
31. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES			
Foreign exchange risk			
593	134	134	593
4.2	0.9	0.9	4.2
2	0	0	2
0.0	0.0	0.0	0.0
Interest rate risk by the currency involving the highest interest rate exposure			
170	216	218	170
(83)	(150)	(150)	(83)
10	3	3	10
(3)	(1)	(1)	(3)
(11)	(24)	(24)	(11)
12	6	6	12
2	(7)	(7)	2
97	43	45	97
Total interest rate exposure of debt instruments			

Notes

DKK million

32. GROUP STRUCTURE

Name and registered office	Ownership interest as %, 31 March 2015	Profit (loss) for 2015	Equity, 31 March 2015	Profit (loss) for 2014	Equity, 31 December 2014	Number of staff
Nykredit Bank A/S (Parent Company), Copenhagen, a)	-	(375)	14,200	(1,772)	12,575	612
Consolidated subsidiaries						
Nykredit Portefølje Administration A/S, Copenhagen, e)	100	19	417	75	398	102
Nykredit Pantebrevsinvestering A/S, Copenhagen, b)	100	0	12	0	12	0
Nykredit Leasing A/S, Gladsaxe, c)	100	14	470	50	456	48
FB Ejendomme A/S, Copenhagen, d)	100	0	4	0	4	0
Associates						
Dansk Pantebrevsbørs A/S, Copenhagen, b)	50	-	-	0	-	-

The company is subject to bankruptcy proceedings.

Geographical distribution of activities

Denmark: Companies and activities appear from the group structure
Sweden: Nykredit Bank A/S, branch*

	Number of staff	Revenue**	Profit (loss) before tax	Tax	Government aid received
Denmark	762	1,004	(488)	(113)	-
Sweden	7	0	0	0	-

* The branch in Sweden ceased its activities in January 2015 and is expected to be wound up entirely before the end of 2015.

** For companies preparing financial statements in accordance with the Danish Financial Business Act, revenue is defined as: Interest income, fee and commission income and other operating income.

- a) Banking
- b) Mortgage trading
- c) Leasing
- d) Property management
- e) Investment management, including asset management and investment advisory services

Nykredit Pantebrevsinvestering A/S and FB Ejendomme A/S only had few activities.

Subsidiaries in temporary possession

The property group Kalvebod III has been included in the balance sheet items "Assets in temporary possession" and "Other liabilities". At 31 March 2015, the property group comprised a number of subsidiaries without activities.

Notes

DKK million

	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
33. NYKREDIT BANK GROUP – FIVE QUARTERS					
SUMMARY INCOME STATEMENT					
Net interest income	452	593	614	631	630
Dividend on equities and fee and commission income, net	256	190	216	272	227
Net interest and fee income	708	783	830	903	857
Value adjustments	(720)	(1,475)	(1,558)	(185)	(298)
Other operating income	7	3	10	6	7
Staff and administrative expenses	479	438	471	511	508
Other operating expenses, depreciation and amortisation	23	47	22	19	19
Impairment losses on loans, advances and receivables	(19)	100	80	(1)	40
Profit (loss) from investments in associates and group enterprises	-	-	-	-	-
Profit (loss) before tax	(488)	(1,274)	(1,291)	195	(1)
Tax	(113)	(328)	(313)	33	9
Profit (loss) for the period	(375)	(946)	(978)	162	(10)
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income	(375)	(946)	(978)	162	(10)
SUMMARY BALANCE SHEET, END OF PERIOD					
Assets					
Cash balances and receivables from central banks and credit institutions	42,699	33,885	22,292	27,790	29,389
Loans, advances and other receivables at fair value	29,569	35,228	40,137	45,328	35,831
Loans, advances and other receivables at amortised cost	49,404	50,494	48,301	46,908	48,078
Bonds at fair value	43,603	64,972	78,276	79,635	82,114
Equities	411	342	340	333	357
Remaining assets	53,365	44,962	41,151	36,906	33,102
Total assets	219,051	229,883	230,497	236,900	228,871
Liabilities and equity					
Payables to credit institutions and central banks	61,649	63,876	60,370	63,306	58,492
Deposits and other payables	67,832	65,350	60,478	61,918	68,694
Bonds in issue	24,427	25,881	24,423	22,565	23,849
Other non-derivative financial liabilities at fair value	4,930	19,943	33,451	40,857	33,108
Remaining payables	45,687	41,913	37,913	33,268	29,894
Total payables	204,525	216,963	216,635	221,914	214,037
Provisions	226	245	240	236	247
Subordinated debt	100	100	100	250	250
Equity	14,200	12,575	13,522	14,500	14,337
Total liabilities and equity	219,051	229,883	230,497	236,900	228,871
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	20,320	20,893	13,801	12,028	12,306
Other commitments	4,632	4,839	5,472	6,536	6,734
FINANCIAL HIGHLIGHTS					
Total capital ratio, %	15.6	13.1	14.7	16.0	16.1
Tier 1 capital ratio, %	15.1	12.8	14.3	15.6	15.7
Return on equity before tax pa, %	(14.6)	(9.5)	(12.3)	2.7	0.0
Return on equity after tax pa, %	(11.2)	(7.0)	(9.3)	2.2	(0.3)

Notes

DKK million

	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
33. THE NYKREDIT BANK GROUP – FIVE QUARTERS (continued)					
Summary core earnings and investment portfolio income					
Core income from business operations	1,004	686	822	885	780
Value adjustment of derivatives	(1,061)	(1,369)	(1,558)	(205)	(230)
Core income from securities	3	8	7	7	7
Total core income	(54)	(675)	(729)	687	557
Operating costs and depreciation of equipment	502	456	494	530	527
Provisions for reorganisation costs	-	28	-	-	-
Profit (loss) from investments in associates and group enterprises	-	-	-	-	-
Core earnings before impairment losses	(556)	(1,159)	(1,223)	157	30
Impairment losses on loans and advances	(19)	100	80	(1)	40
Core earnings after impairment losses	(537)	(1,259)	(1,303)	158	(10)
Investment portfolio income	49	(15)	12	37	9
Profit (loss) before tax	(488)	(1,274)	(1,291)	195	(1)
Tax	(113)	(328)	(313)	33	9
Profit (loss) for the period	(375)	(946)	(978)	162	(10)
Profit (loss) before tax, year-to-date	(488)	(2,371)	(1,097)	194	(1)

Notes

DKK million

	Q1/2015	FY 2014	Q1/2014	Q1/2013	Q1/2012	Q1/2011
34. NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS						
SUMMARY INCOME STATEMENT AND COMPREHENSIVE INCOME						
Net interest and fee income	708	3,373	857	759	759	815
Value adjustments	(720)	(3,516)	(298)	46	(52)	(74)
Other operating income	7	26	7	7	7	7
Staff and administrative expenses	479	1,928	508	469	457	433
Other operating expenses, depreciation and amortisation	23	107	19	27	12	74
Impairment losses on loans, advances and receivables	(19)	219	40	217	93	26
Profit (loss) from investments in associates and group enterprises	-	-	-	-	-	-
Profit (loss) before tax	(488)	(2,371)	(1)	99	152	215
Tax	(113)	(599)	9	25	41	54
Profit (loss) for the period	(375)	(1,772)	(10)	74	111	161
Comprehensive income						
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(375)	(1,772)	(10)	74	111	161
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balances and receivables from central banks and credit institutions	42,699	33,885	29,389	29,287	43,008	28,515
Loans, advances and other receivables at fair value	29,569	35,228	35,831	43,097	32,830	13,451
Loans, advances and other receivables at amortised cost	49,404	50,494	48,078	50,271	56,050	60,517
Bonds at fair value and equities	44,014	65,314	82,471	64,250	72,179	68,298
Remaining assets	53,365	44,962	33,102	52,427	43,161	27,802
Total assets	219,051	229,883	228,871	239,332	247,228	198,583
Liabilities and equity						
Payables to credit institutions and central banks	61,649	63,876	58,492	56,264	67,967	40,888
Deposits and other payables	67,832	65,350	68,694	65,183	56,828	53,648
Bonds in issue at amortised cost	24,427	25,881	23,849	27,362	31,576	33,886
Other non-derivative financial liabilities at fair value	4,930	19,943	33,108	26,702	32,179	28,030
Remaining payables	45,687	41,913	29,894	48,910	43,917	27,184
Total debt	204,525	216,963	214,037	224,421	232,467	183,636
Provisions	226	245	247	317	198	282
Subordinated debt	100	100	250	250	250	735
Equity	14,200	12,575	14,337	14,344	14,313	13,930
Total liabilities and equity	219,051	229,883	228,871	239,332	247,228	198,583
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	20,320	20,893	12,306	10,084	11,040	12,175
Other commitments	4,632	4,839	6,734	8,591	6,601	7,378

Notes

DKK million

	Q1/2015	FY 2014	Q1/2014	Q1/2013	Q1/2012	Q1/2011
34. NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS (continued)						
FINANCIAL HIGHLIGHTS						
Total capital ratio, %	15.6	13.1	16.1	20.6	21.2	16.4
Tier 1 capital ratio, %	15.1	12.8	15.7	20.6	21.2	15.9
Return on equity before tax, %	(3.6)	(17.6)	0.0	0.7	1.1	1.6
Return on equity after tax, %	(2.8)	(13.2)	(0.1)	0.5	0.8	1.2
Income:cost ratio	(0.01)	(0.05)	1.00	1.14	1.27	1.40
Interest rate exposure, %	0.3	0.6	0.7	0.7	0.6	1.0
Foreign exchange position, %	0.0	0.4	4.2	0.2	0.1	0.9
Foreign exchange exposure, %	0.0	0.0	0.3	0.0	0.0	0.0
Loans and advances:deposits	1.2	1.3	1.3	1.5	1.7	1.5
Loans and advances:equity	5.6	6.8	5.9	6.5	6.2	5.3
Growth in loans and advances excluding repos for the period, %	5.1	7.4	2.2	0.9	0.3	2.4
Excess coverage:statutory liquidity requirements, %	309.2	281.7	270.1	218.1	209.5	21.8
Total large exposures, %	11.2	23.5	0.0	15.2	0.0	11.7
Impairment losses for the period, %	0.0	0.2	0.0	0.2	0.1	0.0
Average number of staff, full-time equivalents	769	820	860	856	848	791
Return on capital employed, %	0.0	0.0	0.0	0.0	0.0	0.0

Financial ratios, definitions

Total capital ratio, %	Own funds divided by the total risk exposure amount
Tier 1 capital ratio, %	Tier 1 capital divided by the total risk exposure amount
Return on equity before tax, %	Profit (loss) before tax as a percentage of average equity
Return on equity after tax, %	Profit (loss) after tax as a percentage of average equity
Income:cost ratio	Income including profit (loss) from associates and group enterprises divided by costs excluding tax
Operating costs excluding impairment losses as % of core income from business operations	Operating costs and depreciation of equipment/core income from business operations.
Interest rate exposure, %	Interest rate exposure divided by Tier 1 capital
Foreign exchange position, %	Exchange rate indicator 1 divided by Tier 1 capital
Foreign exchange exposure, %	Exchange rate indicator 2 divided by Tier 1 capital
Loans and advances:deposits	Loans and advances plus impairment provisions divided by deposits Loans and advances include loans and advances at fair value and loans and advances at amortised cost
Loans and advances:equity	Loans and advances divided by equity (end of year/period) Loans and advances include loans and advances at fair value and loans and advances at amortised cost
Growth in loans and advances excluding repos for the period, %	Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year divided by loans and advances at the end of the year/period) Loans and advances include loans and advances at amortised cost
Growth in loans and advances including repos for the period, %	Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year divided by loans and advances at the end of the year/period) Loans and advances include loans and advances at fair value and loans and advances at amortised cost
Excess coverage:statutory liquidity requirements, %	Excess coverage relative to the 10% requirement of s 152 of the Danish Financial Business Act (Available excess liquidity relative to 10% of reduced payables) (Reduced payables: Balance sheet total plus guarantees less equity less subordinated debt)
Total large exposures, %	Total large exposures divided by adjusted own funds
Impairment losses for the year/period, %	Impairment losses for the year/period divided by loans and advances + guarantees + impairment provisions
Return on capital employed, %	Profit (loss) for the period divided by total assets

The financial ratios, excluding the total capital ratio and the Tier 1 capital ratio (cf note 2), and operating costs, excluding impairment losses as % of core income from business operations, have been calculated in accordance with the Danish FSA's guidelines for reporting purposes. The financial ratios "Core Tier 1 capital ratio" and "Growth in loans and advances including repos for the period" are, however, not included in the guidelines.

This document is an English translation of the original Danish text. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.