

To NASDAQ OMX Copenhagen A/S and the press

15 May 2014

Q1 Interim Report 2014
Totalkredit A/S
(1 January – 31 March 2014)

#### Q1 - in brief

- Profit before tax came to DKK 487m against DKK 178m in Q1/2013
- Core income from business operations increased 38% to DKK 639m
- Net costs relating to supplementary collateral for SDO-funded lending dropped DKK 14m to DKK 59m
- Operating costs remained unchanged at DKK 95m
  - Costs as a percentage of core income from business operations were 16.5% compared with 24.2% in Q1/2013
- Impairment losses on loans and advances were DKK 18m against DKK 123m in Q1/2013
  - The decline was chiefly due to lower collective impairment provisions
- Investment portfolio income amounted to DKK 23m against DKK 3m in Q1/2013
- At nominal value, the loan portfolio totalled DKK 531bn, which was largely unchanged from the beginning of the year
- Totalkredit's 37.3% share of total Danish mortgage lending was unchanged from the beginning of the year.

Contacts:

Michael Rasmussen, Group Chief Executive, Nykredit, tel +45 44 55 14 72 Troels Bülow-Olsen, Managing Director, Totalkredit, tel +45 44 55 54 00

Totalkredit A/S Helgeshøj Allé 53 DK-2630 Taastrup Tel +45 44 55 54 00 CVR no 21 83 22 78



# Financial highlights

Core earnings and results for the period	Q1/2014	Q1/2013	FY 2013
Core income from			
- business operations	639	463	1,957
- junior covered bonds	(59)	(73)	(313)
- securities	(2)	3	(2)
Total	578	393	1,642
Operating costs, depreciation and amortisation	95	95	397
Core earnings before impairment losses	483	<b>298</b>	1,245
Impairment losses on loans and advances	18	123	567
Core earnings after impairment losses	465	175	678
Investment portfolio income	23	3	76
Profit before tax	487	178	754
Tax	119	45	189
Profit for the period	368	133	565
Summary balance sheet, end of period	31.03.2014	31.03.2013	31.12.2013
	31.03.2011	31.03.2013	31.12.2013
Assets Receivables from credit institutions	17,672	16,718	16 262
Mortgage loans at fair value		•	16,263 540,670
Bonds at fair value	544,361	528,658	
	92,539	99,557	79,357
Remaining assets  Total assets	2,971 <b>657,543</b>	3,045 <b>647,978</b>	3,534 <b>639,824</b>
I Oldi doselo	037,343	047,376	033,624
Liabilities and equity			
Payables to credit institutions	585,452	566,943	565,734
Issued bonds at fair value	44,993	54,799	46,568
Subordinated debt – Tier 2 capital	3,100	3,100	3,100
Remaining liabilities	7,976	7,913	8,767
Equity	16,022	15,223	15,655
Total liabilities and equity	657,543	647,978	639,824
Financial ratios			
Profit for the period as % of average equity pa	9.3	3.5	3.7
Core earnings before impairment losses as % of average equity pa	12.2	7.9	8.1
Costs as % of core income from business operations (cost:income ratio)	16.5	24.2	24.2
Impairment losses for the period, %	0.00	0.02	0.11
Total capital ratio, %	19.3	21.1	21.3
Common Equity Tier 1 (CET1) capital ratio, %	16.8	17.6	17.8
Internal capital adequacy requirement, %	9.6	10.4	10.2
internal capital adequacy requirement, 70	3.0	10.4	10.2



### Q1 Interim Report 2014

Totalkredit posted a profit before tax of DKK 487m against DKK 178m in the same period last year. Profit after tax came to DKK 368m.

Results for Q1/2014 included an increase in income from business operations as well as reduced impairment losses on loans and advances.

#### Core earnings before impairment losses

Core income from business operations amounted to DKK 639m against DKK 463m in Q1/2013. Growth in core income from business operations was attributable to the administration margin increases introduced on 1 October 2013 and a larger loan portfolio.

Administration margin income was up DKK 276m on the same period last year, whereas activity-specific income dropped by DKK 18m owing to lower lending activity. Commission expenses grew by DKK 80m.

Net interest expenses for junior covered bonds came to DKK 59m against DKK 73m in Q1/2013.

Core income from securities was a loss of DKK 2m in Q1/2014 against income of DKK 3m in the same period last year. Core income from securities further included interest expenses of DKK 13m relating to Tier 2 capital.

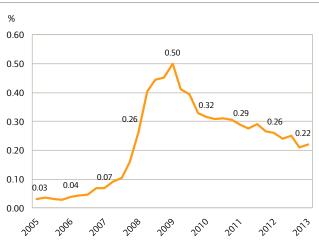
Operating costs were unchanged at DKK 95m compared with the same period last year.

Core earnings before impairment losses came to DKK 483m against DKK 298m in Q1/2013.

#### Impairment losses on loans and advances

Impairment losses on loans and advances totalled DKK 18m against DKK 123m in the same period last year. In Q1/2014, impairment losses equalled 0.00% of lending compared with 0.02% in Q1/2013. The decline was chiefly due to lower collective impairment provisions.

#### Arrears ratio, mortgage lending – 75 days past due



Write-offs for the period totalled DKK 166m, of which DKK 75m was covered by the partner banks by set-off against commission payable or by quarantee.

Impairment provisions totalled DKK 1,099m against DKK 1,174m at the beginning of the year. Total impairment provisions equalled 0.21% of lending.

Individual impairment provisions stood at DKK 442m and collective impairment provisions at DKK 656m.

The arrears ratio measured as at the December due date, 75 days past due, was 0.22%, which was also the level of the previous due date.

In Q1/2014, 34 properties were acquired by public auction and 26 properties were sold. At end-Q1/2014, the portfolio of repossessed properties stood at 55 against 47 at the beginning of the year.

#### Investment portfolio income

Investment portfolio income was DKK 23m against DKK 3m in the same period last year.

#### Loans and advances

Gross new lending came to DKK 13bn against DKK 18bn in Q1/2013.

At nominal value, the loan portfolio totalled DKK 531bn against DKK 532bn at the beginning of the year.

Measured by loan portfolio, Totalkredit's market share was 37.3% at end-Q1/2014.

#### Loan-to-value ratios (LTVs)

The average LTV ratio of the loan portfolio, determined as the top part of the loan amount for each property, was 78% at end-Q1/2014.

For the part of the loan portfolio funded by SDOs (Danish covered bonds) and for which LTV ratios exceed the statutory LTV limits of 80% for private residential property and 60% for holiday homes, supplementary collateral must be provided to bondholders. In the first three months of the year, the supplementary collateral requirement averaged DKK 26.3bn.

Totalkredit raises supplementary collateral by investing part of its own funds or any borrowed funds, primarily proceeds from issued junior covered bonds, in particularly secure assets.

#### **Balance sheet**

At end-Q1/2014, the balance sheet stood at DKK 658bn against DKK 640bn at the beginning of the year.

Assets essentially consisted of three items: receivables from credit institutions of DKK 18bn, mortgage lending of DKK 545bn and a bond portfolio of DKK 93bn.

Liabilities essentially consisted of payables to the Parent Company, Nykredit Realkredit A/S, totalling DKK 585bn, of which DKK 558bn



related to the funding of mortgage loans and DKK 27bn related to supplementary collateral for SDO-funded lending.

At end-Q1/2014, Totalkredit had issued own bonds of DKK 45bn.

Equity including profit for the period totalled DKK 16.0bn at end-Q1/2014.

#### Capital and capital adequacy

Own funds (previously referred to as the capital base) stood at DKK 18.2bn, and the risk exposure amount (previously referred to as risk-weighted assets) totalled DKK 94.0bn, corresponding to a total capital ratio of 19.3%.

The Common Equity Tier 1 (CET1) capital came to DKK 15.8bn, corresponding to a CET1 capital ratio of 16.8% at end-Q1/2014.

Under the Basel I transitional rules, the risk exposure amount came to DKK 217.1bn, equal to a total capital ratio of at least 18.5%. The Basel I transitional rules have been extended to 2015 inclusive, but are expected to be further extended to 2019, at which time the new capital requirements will be fully implemented.

Totalkredit applies Nykredit's advanced internal models (IRB) for determination of risk exposures relating to credit risk. The standardised approach is used to determine risk exposures relating to market risk, and risk exposures relating to operational risk is determined using the basic indicator approach.

The internal capital adequacy requirement (ICAAP) is calculated on the basis of the required own funds (previously referred to as the required capital base), which is the minimum capital required, in Management's judgement, to cover all significant risks. At end-Q1/2014, required own funds totalled DKK 9.0bn, equal to an internal capital adequacy requirement of 9.6%.

Totalkredit Capital and capital adequacy			
DKK million	01.03.2014	2013	2012
Credit risk	88,715	82,155	73,050
Market risk	2,268	2,476	5,248
Operational risk	3,049	3,077	3,316
Total risk exposure amount	94,031	87,708	81,614
Equity	16,022	15,655	15,090
CET1 capital deductions	(187)	(34)	(37)
CET1 capital	15,836	15,621	15,052
Tier 2 capital	2,480	3,100	3,100
Tier 2 capital deductions	(121)	(32)	(35)
Own funds	18,195	18,689	18,117
CET1 capital ratio, %	16.8	17.8	18.4
Total capital ratio, %	19.3	21.3	22.2
Internal capital adequacy requirement (Pillar I and Pillar II), %	9.6	10.2	10.6

#### **Credit ratings**

The lending activities of Totalkredit and Nykredit Realkredit, Totalkredit's Parent Company, are jointly funded. Due to the joint funding, Totalkredit and Nykredit Realkredit use the same bond series to fund identical loans. Nykredit Realkredit issues the requisite bonds through capital centres which are rated AAA by Standard & Poor's.

The covered bonds issued by Totalkredit through Capital Centre C are also rated AAA by Standard & Poor's. The Capital Centre is not open for new lending.

#### Other

#### Jyske Bank's exit from Totalkredit partnership

Jyske Bank is considered to have exited the partnership as from mid-March 2014.

Customers of Jyske Bank may still raise Totalkredit loans – either through Jyske Bank or directly from Totalkredit.

Jyske Bank has currently referred customers to Totalkredit corresponding to lending of some DKK 82bn. Customers' loans or terms and conditions will not be affected by the changed relationship. Going forward, Totalkredit will offer relevant customers advisory services from Totalkredit, and Totalkredit will handle any loan losses as well as the loss risk. As from mid-March, no distribution commission will be paid to Jyske Bank in accordance with existing agreements.

Totalkredit expects that Jyske Bank will encourage the refinancing of the majority of the loans into loans granted directly by Jyske Bank or one of the group's companies. For the full year 2014, the net impact of the changed contractual terms as well as the refinancing of loans is estimated to be a DKK 100m rise in Totalkredit's results.

Until a new decision has been made, Jyske Bank has full access to the advisory functionalities of Totalkredit's mortgage lending system, the Xportal, irrespective of whether these loans are offered by Totalkredit or other providers.

#### Changes to the Board of Directors

At the annual general meeting held on 18 March 2014, Michael Rasmussen, Group Chief Executive, and Bente Overgaard, Group Managing Director, were elected Chairman and member of the Board of Directors, respectively. On the same occasion, Lars Holst, Executive Vice President, retired from the Board of Directors.

#### Uncertainty as to recognition and measurement

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

The areas in which assumptions and estimates material to the financial statements have been made comprise provisions for loan and receivable impairment as well as other provisions, cf the mention in the Annual Report 2013.

Uncertainty as to recognition and measurement is described in detail in the company's accounting policies (note 1 of the Annual Report 2013), to which reference is made.



#### Outlook for 2014

Based on development in Q1/2014, a favourable earnings impact of approximately DKK 100m is expected for 2014 as a whole compared with Totalkredit's guidance at the 2013 full-year results.

#### Events occurred after the end of the financial period

No material events have occurred in the period from the balance sheet date up to the presentation of the Q1 Interim Report that may affect the assessment of the Interim Report.

#### **Accounting policies**

The Q1 Interim Report 2014 has been prepared in accordance with the Danish Financial Business Act and the FSA 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.

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.

The accounting policies are unchanged compared with the Annual Report 2013. For a description, please refer to the Annual Report 2013.



# Statement by the Board of Directors and the Executive Board on the Interim Report

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January - 31 March 2014 of Totalkredit A/S.

The Interim Report and the Management's Review have been prepared in accordance with the Danish Financial Business Act and the 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.

Taastrup, 15 May 2014

We are of the opinion that the Interim Financial Statements give a fair presentation of the Company's assets, liabilities, equity and financial position at 31 March 2014 and of the results of the Company's operations and cash flows for the financial period 1 January – 31 March 2014

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 Company as well as a description of the material risk and uncertainty factors which may affect the Company.

The Interim Report has not been audited or reviewed.

#### **Executive Board**

Troels Bülow-Olsen

Allan Rømer

#### **Board of Directors**

Michael Rasmussen, Chairman

Claus E. Petersen, Deputy Chairman

Jette Alsig Bargholz

Petter Blondeau

Kim Duus

Karen Frøsig

Søren Holm

Michael Holm Jensen

Jari Loch Jensen

Gert Jonassen

Merete Nilausen

Bente Overgaard



# Income statement for 1 January – 31 March

	Note	Q1/2014	Q1/20°
nterest income	1	4,334	4,10
nterest expenses	2	3,254	3,30
let interest income		1,080	7.50
		,,,,,,	
ee and commission income	3	68	8
ee and commission expenses	4	532	4
let interest and fee income		616	41
alus adjustments	5	(15)	(1
alue adjustments Ither operating income	3	(15) 0	(1
taff and administrative expenses	6	95	
Depreciation and impairment losses for property, plant and equipment		0	
npairment losses on loans, advances and receivables	7	18	1.
rofit before tax		487	1
ax		119	
rofit for the period		368	1
Comprehensive income		260	-
rofit for the period		368	1.
Other comprehensive income  Comprehensive income for the period		368	1.



# Balance sheet, end of period

Note   31,03,2014   31,12,2013   SASETS   Cash balances and demand deposits with central banks   0   0   0   0   0   0   0   0   0
Rash balances and demand deposits with central banks         0         0           Receivables from credit institutions and central banks         8         17,672         16,263           Loans, advances and other receivables at fair value         9         544,525         540,751           Loans, advances and other receivables at amortised cost         9         3.6         3.6           Bonds at fair value         10         9,353         79,357           Other property, plant and equipment         -         -         -         -           Current tax assets         2
Rash balances and demand deposits with central banks         0         0           Receivables from credit institutions and central banks         8         17,672         16,263           Loans, advances and other receivables at fair value         9         544,525         540,751           Loans, advances and other receivables at amortised cost         9         3.6         3.6           Bonds at fair value         10         9,353         79,357           Other property, plant and equipment         -         -         -         -           Current tax assets         2
Receivables from credit institutions and central banks         8         17,672         16,263           Loans, advances and other receivables at fair value         9         54,525         540,751           Loans, advances and other receivables at amortised cost         9         36         36           Bonds at fair value         10         92,539         79,357           Other property, plant and equipment         10         92,539         79,357           Current tax assets         1         2         2         2           Assets in temporary possession         11         37         28           Other assets         67,73         639,20         72           Total assets         67,74         3,34         72         72           LABILITIES AND EQUITY         567,54         639,20         72 <td< td=""></td<>
Loans, advances and other receivables at fair value         9         544,525         540,751           Loans, advances and other receivables at amortised cost         9         36         36           Bonds at fair value         10         92,539         79,357           Other property, plant and equipment         -         -         -           Current kax sestes         2         2         2           Assets in temporary possession         11         37         28           Other assets         12         2,721         3,34           Deferred income         10         7         2,721         3,34           Deferred income         10         7         40,22         2         2,721         3,34           Deferred income         50,54         657,54         639,84         48,94         48,94         48,94         48,94         48,94         48,94         48,94         48,68         4
Bonds at fair value         10         92,539         79,357           Other property, plant and equipment         -         -         -           Current tax assets         -         -         -         -           Assets in temporary possession         11         37         2.8           Other assets         12         2,721         3,34           Deferred income         10         7         7           Total assets         15         565,543         3639,82           LIABILITIES AND EQUITY         13         585,452         565,734           Issued bonds at fair value         13         585,452         565,734           Issued bonds at fair value         13         585,452         565,734           Other liabilities         13         585,452         565,734           Issued bonds at fair value         14         44,993         46,668           Other liabilities         15         7,940         8,762           Total payable         583,16         521,064         16,66           Issue capital         16         3,100         3,100           Equity         16         1,646         1,646           Other reserves         1
Other property, plant and equipment         -
Current tax assets         -         38           Deferred tax assets         2         2           Assets in temporary possession         11         37         2.88           Other assets         12         2,721         3,342           Deferred income         10         7         7         56,543         639,824           LABILITIES AND EQUITY         -         65,543         639,824           LABILITIES AND EQUITY         14         44,993         46,568           Susued bonds at fair value         13         46,528           Current tax liabilities         13         6,52           Current tax liabilities         5         7,944         8,762           Total payables         5         7,944         8,762           Total payables         6         6         6           Provisions         6         6         6           Subscription         6         6         6           Subscription         8         8         8           Reserves         15         1,54         1,54           Series reserves         15         1,54         1,54           Series reserves         1,56         1,5         1,5 </td
Deferred tax assets         1         37         28           Assets in temporary possession         11         373         28           Other assets         61         2,721         3,342           Deferred income         657,543         639,824           LABILITIES AND EQUITY           Payables to credit institutions         13         585,452         565,734           Issued bonds at fair value         14         44,993         46,568           Current tax liabilities         15         7,944         8,656           Other liabilities         15         7,944         8,656           Total payables         6         6         6         6           Proxisions         6         6         6         6         6           Subordinated debt – Tier 2 capital         6
Assets in temporary possession       11       37       28         Other assets       12       2,721       3,342         Deferred income       10       7         Total assets       657,543       639,824         LIABILITIES AND EQUITY       ****       657,543       639,824         LIABILITIES AND EQUITY       ****       585,452       565,734         Payables to credit institutions       13       585,452       565,734         Sused bonds at fair value       14       44,993       46,568         Current tax liabilities       13       -       -         Other liabilities       15       7,940       8,762       -         Total payables       6       63,416       621,664       -
Other assets         12         2,721         3,342           Deferred income         10         7           Total assets         657,543         639,824           LIABILITIES AND EQUITY         Payables to credit institutions         13         585,452         565,734           Issued bonds at fair value         14         44,993         46,568           Current tax liabilities         15         7,940         8,762           Other liabilities         15         7,940         8,762           Total payables         6         6         6           Provisions         6         6         6           Subordinated debt – Tier 2 capital         848         848           Reserves         848         848           Reserves         1,646         1,646           Series reserves         1,646         1,646           Other reserves         13,161         13,161           Retained earnings for the period         368         -           Total liabilities and equity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17           Guarantees         0         0           Other commitments         10         0
Deferred income         10         7           Total assets         657,543         639,824           LIABILITIES AND EQUITY         Verify and the properties of
Liabilities AND EQUITY         657,543         639,824           Payables to credit institutions         13         585,552         565,734           Issued bonds at fair value         14         44,993         46,568           Current tax liabilities         31            Other liabilities         15         7,940         8,762           Total payables         6         6         6         6           Provisions         6         6         6         6         6           Subordinated debt – Tier 2 capital         6         8         8         8         8         8         8         8         8         6         6
Liabilities AND EQUITY           Payables to credit institutions         13         585,452         565,734           Issued bonds at fair value         14         44,993         46,658           Current tax liabilities         31
Payables to credit institutions         13         585,452         565,743           Issued bonds at fair value         14         44,993         46,568           Current tax liabilities         31         -           Other liabilities         15         7,940         8,762           Total payables         634,166         621,664           Provisions         6         6         621,664           Subordinated debt – Tier 2 capital         6         6         3,100         3,100           Equity         848         848         848           Reserves         1,646         1,646         1,646           Series reserves         13,161         13,161         13,161           Retained earnings for the period         368         -           Total lequity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17           Guarantees         9         0         0           Other commitments         10         0         0
Payables to credit institutions         13         585,452         565,743           Issued bonds at fair value         14         44,993         46,568           Current tax liabilities         31         -           Other liabilities         15         7,940         8,762           Total payables         634,166         621,664           Provisions         6         6         621,664           Subordinated debt – Tier 2 capital         6         6         3,100         3,100           Equity         848         848         848           Reserves         1,646         1,646         1,646           Series reserves         13,161         13,161         13,161           Retained earnings for the period         368         -           Total lequity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17           Guarantees         9         0         0           Other commitments         10         0         0
Issued bonds at fair value       14       44,993       46,568         Current tax liabilities       31       -         Other liabilities       15       7,940       8,762         Total payables       638,416       621,064         Provisions       6       6         Subordinated debt – Tier 2 capital       16       3,100       3,100         Equity       848       848         Reserves       848       848         Series reserves       1,646       1,646         Other reserves       13,161       13,161         Retained earnings for the period       368       -         Total equity       657,543       639,824         OFF-BALANCE SHEET ITEMS       17       Cuarantees       0       0         Other commitments       10       0       0         Other commitments       10       0       0
Current tax liabilities       31       -         Other liabilities       15       7,940       8,762         Total payables       68,416       621,064         Provisions       6       6         Subordinated debt – Tier 2 capital       16       3,100       3,100         Equity       848       848         Reserves       848       848         Series reserves       1,646       1,646         Other reserves       13,161       13,161         Retained earnings for the period       368       -         Total equity       657,543       639,824         OFF-BALANCE SHEET ITEMS       17       657,543       639,824         Other commitments       0       0       0         Other commitments       10       0       0
Other liabilities         15         7,940         8,762           Total payables         68,416         621,064           Provisions         6         6         6           Subordinated debt – Tier 2 capital         16         3,100         3,100           Equity         848         848           Reserves         848         848           Series reserves         1,646         1,646           Other reserves         13,161         13,161         13,161           Retained earnings for the period         368            Total equity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17           Guarantees         0         0           Other commitments         10         0
Total payables         638,416         621,064           Provisions         6         6         6           Subordinated debt – Tier 2 capital         16         3,100         3,100           Equity         848         848           Share capital         848         848           Reserves         1,646         1,646           Other reserves         13,161         13,161           Retained earnings for the period         368         -           Total equity         16,022         15,655           Total liabilities and equity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17           Guarantees         0         0         0           Other commitments         10         10         0
Provisions         6         6           Subordinated debt – Tier 2 capital         16         3,100         3,100           Equity         848         848           Share capital         848         848           Reserves         1,646         1,646           Other reserves         13,161         13,161           Retained earnings for the period         368            Total equity         16,022         15,655           Total liabilities and equity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17         4           Guarantees         0         0         0           Other commitments         10         0         0
Subordinated debt – Tier 2 capital       16       3,100       3,100         Equity       848       848         Share capital       848       848         Reserves       1,646       1,646         Series reserves       13,161       13,161         Other reserves       368       -         Total equity       16,022       15,655         Total liabilities and equity       657,543       639,824         OFF-BALANCE SHEET ITEMS       17       Cuarantees       0       0         Other commitments       10       10       10
Equity         5,166         5,168         5,168         5,168         5,168         5,168         5,168         6,168         8,48
Share capital       848       848         Reserves       1,646       1,646         Other reserves       13,161       13,161         Retained earnings for the period       368       -         Total equity       16,022       15,655         Total liabilities and equity       657,543       639,824         OFF-BALANCE SHEET ITEMS       17       0         Guarantees       0       0         Other commitments       10       10
Reserves         1,646         1,646           Other reserves         13,161         13,161           Retained earnings for the period         368         -           Total equity         16,022         15,655           Total liabilities and equity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17         0           Cuarantees         0         0           Other commitments         10         10
Series reserves         1,646         1,646           Other reserves         13,161         13,161           Retained earnings for the period         368         -           Total equity         16,022         15,655           Total liabilities and equity         657,543         639,824           OFF-BALANCE SHEET ITEMS         17           Guarantees         0         0           Other commitments         10         10
Other reserves         13,161         13,161         13,161         13,161         13,161         13,161         13,161         - <td< td=""></td<>
Retained earnings for the period 368 - Total equity 16,022 15,655  Total liabilities and equity 657,543 639,824  OFF-BALANCE SHEET ITEMS 17 Guarantees 0 0 0 Other commitments 10 10
Total equity15,655Total liabilities and equity657,543639,824OFF-BALANCE SHEET ITEMS17Guarantees00Other commitments1010
Total liabilities and equity  OFF-BALANCE SHEET ITEMS  Guarantees  Other commitments  17  0 0 0 10
OFF-BALANCE SHEET ITEMS  Guarantees  0 0 0 0ther commitments
Guarantees         0         0           Other commitments         10         10
Guarantees         0         0           Other commitments         10         10
Other commitments 10 10



### Statement of changes in equity

DKK million

	Share capital	Series reserves	Other reserves	Total
Equity, 1 January 2014	848	1,646	13,161	15,655
Profit for the period	-	-	368	368
Total comprehensive income for the period	-	-	368	368
Equity, 31 March 2014	848	1,646	13,529	16,022
Equity, 1 January 2013	848	1,646	12,596	15,090
Profit for the period	-	-	133	133
Total comprehensive income for the period	-	-	133	133
Equity, 31 March 2013	848	1,646	12,729	15,223

The share capital consists of 8,480,442 shares of DKK 100. There is only one share class. The entire share capital is held by Nykredit Realkredit A/S.

Series reserves consist of an undistributable reserve fund established pursuant to section 220 of the Danish Financial Business Act in connection with Totalkredit's conversion into a public limited company in 2000. Capital is used to cover regulatory capital requirements and is otherwise only used to cover losses not covered by amounts that may be used as dividend in the public limited company.



### Cash flow statement

	21 02 2014	21 02 2012
	31.03.2014	31.03.2013
Profit after tax for the period	368	133
Adjustment for non-cash operating items, depreciation and impairment losses		
Depreciation and impairment losses for property, plant and equipment	0	127
Impairment losses on loans and advances Prepayments/deferred income, net	18 (4)	123 (5)
Tax calculated on profit for the period	119	45
Other adjustments	(10)	(3)
Total	124	159
Profit for the period adjusted for non-cash operating items	492	292
Channe in wedding comital		
<b>Change in working capital</b> Loans and advances	(3,792)	(5,807
Deposits and payables to credit institutions	19,717	19,93
Issued covered bonds	(1,575)	(3,716)
Other working capital	(200)	(576)
Total	14,150	9,832
Corporation tax paid, net	(51)	(26)
Cash flows from operating activities	14,591	10,098
Cash flows from investing and financing activities		
Investments	(13,182)	(14,323)
Total	(13,182)	(14,323)
Total cash flows	1,409	(4,225)
Cash and cash equivalents, beginning of period	16,263	20,942
Cash and cash equivalents, end of period	17,672	16,717



	Q1/2014	Q1/2013
	Q1/2014	Q1/2013
1. INTEREST INCOME		
Receivables from credit institutions	6	9
Loans, advances and other receivables	3,124	3,144
Administration margin (income)	1,034	758
Bonds:	_	-
- Self-issued covered bonds - Other covered bonds	5	160
Other covered bonds  Derivative financial instruments	140	169
- Interest rate contracts	30	24
Total	4,339	4,105
Interest from self-issued covered bonds has been offset against interest expenses – note 2	(5)	(1)
Total	4,334	4,104
2. INTEREST EXPENSES		
Nykredit Realkredit A/S mortgage loan funding	2,856	2,810
Issued bonds	2,830	326
Other payables to Nykredit Realkredit A/S	129	158
Subordinated debt	12	13
Other interest expenses	0	0
Total	3,259	3,307
Set-off of interest from self-issued covered bonds – note 1	(5)	(1)
Total	3,254	3,306
3. FEE AND COMMISSION INCOME		
Loan fees, new lending	40	55
Trading commission and other fees	28	31
Total	68	86
4. FEE AND COMMISSION EXPENSES		
Loan arrangement fees	32	44
Commission to loan arrangers	465	385
Trading commission and other fees  Total	35 <b>532</b>	41 <b>470</b>
	332	., 0
5. VALUE ADJUSTMENTS		
Mortgage loans	4,642	340
Bonds	(18)	9
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	30	(54)
Other liabilities	(27)	27
Issued bonds, including bonds issued by Nykredit Realkredit A/S in connection with the funding of mortgage loans granted by Totalkredit A/S	(4,642)	(340)
Total	(15)	(18)



	Q1/2014	Q1/2013
6. STAFF AND ADMINISTRATIVE EXPENSES		
Remuneration of Board of Directors and Executive Board	1	1
Staff expenses	19	20
Administrative expenses	75	74
Total	95	95
Remuneration of Board of Directors and Executive Board		
Board of Directors:		
Remuneration	0	0
Executive Board:		
Salaries	1	1
Pensions	0	(
Other social security expenses and charges	0	(
Total	1	1
Staff expenses:		
Salaries	16	15
Pensions	1	2
Other social security expenses and charges	2	3
Total	19	20
Number of staff		
Average number of staff, full-time equivalents	128	132
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES		
Change in individual impairment provisions for loans and advances	116	124
Change in collective impairment provisions for loans and advances	(46)	23
Write-offs for the period, net	18	47
Recoveries of claims previously written off	(3)	(1)
Total impairment losses on loans, advances and receivables	85	193
Value adjustment of assets in temporary possession	8	(2)
Losses covered by security from partner banks	(75)	(68)
Total	18	123
Specification of provisions for loan impairment		
Individual impairment provisions	442	459
Collective impairment provisions	656	468
Total impairment provisions	1,099	927
Individual impairment provisions		
Impairment provisions, beginning of period	472	458
Impairment provisions for the period	198	189
Impairment provisions reversed	(82)	(65
Value adjustment of repossessed properties	(24)	(20
Impairment provisions written off	(121)	(103
Impairment provisions, end of period	442	459
Collective impairment provisions		
Impairment provisions, beginning of period	702	446
Impairment provisions for the period, net	(46)	22
Impairment provisions, end of period	656	468



	Q1/2014	Q1/2013
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)		
Individual impairment provisions for repossessed properties		
Impairment provisions, beginning of period	104	128
Transfer from non-repossessed properties Impairment provisions for the period	24	20 16
Impairment provisions for the period  Impairment provisions reversed	(3)	(18)
Impairment provisions written off	(27)	(8)
Impairment provisions, end of period	109	138
Specification of loans and advances	1.014	2.10
Loans and advances subject to individual impairment Impairment provisions	1,914 (442)	2,189 (459
Loans and advances after impairment provisions	1,472	1, <b>73</b> (
and devences after impairment provisions	1,172	1,73
Loans and advances subject to collective impairment	29,901	24,739
mpairment provisions	(656)	(468
Loans and advances after impairment provisions	29,245	24,271



	31.03.2014	31.12.2013
O DECENTARI EC EDOM CREDIT INICTITUTIONE AND CENTRAL RANGE		
8. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS Receivables from credit institutions	17,672	16,263
receivables from create institutions	17,072	10,203
9. LOANS AND ADVANCES		
Loans, advances and other receivables at fair value	544,525	540,751
Loans, advances and other receivables at amortised cost	36	36
Total	544,561	540,787
Loans, advances and other receivables at fair value		
Mortgage loans	544,334	540,643
Receivables from lending secured on non-repossessed properties	191	108
Total	544,525	540,751
Mortgage loans		
Balance, beginning of period, nominal value	532,487	509,915
New loans Ordinary principal payments	12,890 (1,256)	71,69 <sup>2</sup> (6,113)
Prepayments and extraordinary principal payments	(12,737)	(43,009)
Balance, end of period, nominal value	531,384	<b>532,487</b>
	·	
Loans transferred relating to properties in temporary possession	(22)	(49)
Fair value adjustment	13,958	9,285
Additional Committee College		
Adjustment for credit risk	(330)	(378)
Individual impairment provisions  Collective impairment provisions	(656)	(702)
Balance, end of period, fair value	<b>544,334</b>	540,643
24.1.1.0, 0.1.2 0. po.104, 14.1.1 14.1.2	5 : 1,25 :	3 10,0 13
Receivables from lending secured on non-repossessed properties		
Arrears before impairment provisions	111	111
Outlays before impairment provisions	192	91
Provisions for arrears and outlays	(112)	(94)
Total	191	108
Loans, advances and other receivables at amortised cost		
Mortgage loans	27	27
Other loans and advances	9	9
Total	36	36
Measured at fair value, the item amounted to DKK 36m at end-Q1/2014 and DKK 36m at end-2013.		
Mortgage loan guarantees provided by banks:		
Supplementary guarantees in addition to mortgages over real estate	8,192	8,126
Statutory guarantees for interim loans	9,635	10,240
Guarantees for loans disbursed before obtaining a registered mortgage	7,654	9,992
Total	25,481	28,358



10. BONDS AT FAIR VALUE			
- Self-issued covered bonds         2,272         2,25           Other covered bonds         98,311         30,60           Sec-off against "Issued bonds at fair value" - note 14         (2,772)         7,29           Total bonds         95,391         79,35           Of which:         8         7,93           Redeemed bonds         115         13           11. ASSETS IN TEMPORARY POSSESSION         31         2           Dobt outstanding, end of period         13         2           Outlays         61         4           Impairment provisions, end of period         (57)         4           Total         37         2           12. OTHER ASSETS         9         1           Positive market value of derivative financial instruments         9         1           Interest and commission receivable on loans and advances         1,396         2,00           Interest at exceptive the form bonds and credit institutions         1,299         1,06           Remaining assets         2         2         2           10. Interest acceptive the following the payables of the payables on credit institutions on the payables on credit institutions on the payables on the payables on credit institutions on the payables on the payab		31.03.2014	31.12.2013
- Self-issued covered bonds         2,272         2,25           Other covered bonds         98,311         30,60           Sec-off against "Issued bonds at fair value" - note 14         (2,772)         7,29           Total bonds         95,391         79,35           Of which:         8         7,93           Redeemed bonds         115         13           11. ASSETS IN TEMPORARY POSSESSION         31         2           Dobt outstanding, end of period         13         2           Outlays         61         4           Impairment provisions, end of period         (57)         4           Total         37         2           12. OTHER ASSETS         9         1           Positive market value of derivative financial instruments         9         1           Interest and commission receivable on loans and advances         1,396         2,00           Interest at exceptive the form bonds and credit institutions         1,299         1,06           Remaining assets         2         2         2           10. Interest acceptive the following the payables of the payables on credit institutions on the payables on credit institutions on the payables on the payables on credit institutions on the payables on the payab	10 RONDS AT FAIR VALUE		
Other covered bonds		2 272	2,293
150   150	- Other covered bonds		79,357
Total bonds         92,539         79,35           Of which:         Redeemed bonds         115         12           11. ASSETS IN TEMPORARY POSSESSION         13         2           Debt outstanding, end of period         13         2           Outlays         81         4           Impairment provisions, end of period         (57)         (4           Total         37         2           12. OTHER ASSETS         95         18           Positive market value of detirative financial instruments interest and commission receivable on loans and advances         1,396         2,05           Interest and commission receivable on loans and advances         1,296         2,05           Interest and commission receivable on loans and advances         1,296         2,05           Interest and commission receivable on loans and advances         1,296         2,05           Interest and commission receivable on loans and advances         1,296         2,05           Interest and commission receivable on loans and advances         1,296         2,05           Interest and commission receivable on loans and advances         1,296         2,05           Interest and commission receivable on loans and advances         1,296         2,05           Total         2,721         3,34	Total		81,650
Of which:           Redeeneed bonds         115         13           11. ASSETS IN TEMPORARY POSSESSION         13         3           Unable of period         18         4           Impairment provisions, end of period         (57)         (4           Total         37         2           Positive market value of derivative financial instruments         95         16           Interest and commission receivable on loans and advances         1,396         2,00           Interest and commission receivable from bonds and credit institutions         1,209         1,00           Remaining assets         21         4           Total         2,721         3,34           Total         2,721         3,24           Total         2,722         3,24           Total         2,723,5         25,1,2           Total         2,13,2         2,1,2	Set-off against "Issued bonds at fair value" – note 14	(2,272)	(2,293)
1. ASSETS IN TEMPORARY POSSESSION	Total bonds	92,539	79,357
1. ASSETS IN TEMPORARY POSSESSION			
1.   ASSETS IN TEMPORARY POSSESSION   13   2   2   2   2   2   2   2   2   2		115	120
Debt outstanding, end of period         13         2           Outlays         81         2           Impairment provisions, end of period         (57)         2           Total         37         2           12. OTHER ASSETS         8         1           Positive market value of derivative financial instruments         95         16           Interest and commission receivable on loans and advances         1,396         2,00           Interest and commission receivable from bonds and credit institutions         1,209         1,08           Remaining assets         21         4           Total         2,721         3,34           13. PAYABLES TO CREDIT INSTITUTIONS         2         1           Payables to credit institutions, other payables         48         3           Payables to redeit institutions, other payables         48         3           Payables to Invited in through Nykredit Realkredit A/S concenting supplementary collateral for SDO-funded mortgage lending         27,335         27,135           Payables to moving a period, nominal value         586,452         565,73           Of which mortgage loan funding through Nykredit Realkredit A/S         531,233         509,13           Balance, beginning of period, nominal value         40,061         183,76	Redeemed bonds	115	130
Debt outstanding, end of period         13         2           Outlays         81         2           Impairment provisions, end of period         (57)         2           Total         37         2           12. OTHER ASSETS         8         1           Positive market value of derivative financial instruments         95         16           Interest and commission receivable on loans and advances         1,396         2,00           Interest and commission receivable from bonds and credit institutions         1,209         1,08           Remaining assets         21         4           Total         2,721         3,34           13. PAYABLES TO CREDIT INSTITUTIONS         2         1           Payables to credit institutions, other payables         48         3           Payables to redeit institutions, other payables         48         3           Payables to Invited in through Nykredit Realkredit A/S concenting supplementary collateral for SDO-funded mortgage lending         27,335         27,135           Payables to moving a period, nominal value         586,452         565,73           Of which mortgage loan funding through Nykredit Realkredit A/S         531,233         509,13           Balance, beginning of period, nominal value         40,061         183,76	11. ASSETS IN TEMPORARY POSSESSION		
Outlays         81           Impairment provisions, end of period         (57)         (4           Total         37         (2           12. OTHER ASSETS         2         12. OTHER ASSETS         2           Positive market value of derivative financial instruments         95         16           Interest and commission receivable on loans and advances         1,296         2,05           Interest receivable from bonds and credit institutions         1,209         1,06           Remaining assets         21         4           Total         2,721         3,34           13. PAYABLES TO CREDIT INSTITUTIONS         48         2           Payables to recelt institutions, other payables         48         2           Payables to Nykerdit Realkerd A/S concerning supplementary collateral for SDO-funded mortgage lending         27,335         527,12           Mortgage loan funding through Nykredit Realkeredit A/S         586,452         565,72           Of which mortgage loan funding through Nykredit Realkeredit A/S         331,233         509,13           Additions         57,403         211,65           Redemptions and prepayments         (40,861)         (183,76           Redemptions and prepayments         (40,861)         (183,76           Prepayments and e		13	22
12. OTHER ASSETS	Outlays	81	49
12. OTHER ASSETS	Impairment provisions, end of period	(57)	(43)
Positive market value of derivative financial instruments         95         16           Interest and commission receivable on loans and advances         1,396         2,00           Interest receivable from bonds and credit institutions         1,209         1,06           Remaining assets         21         4           Total         2,721         3,34           13. PAYABLES TO CREDIT INSTITUTIONS         3           Payables to credit institutions, other payables         48         3           Payables to Nykredit Realkredit A/S concerning supplementary collateral for SDO-funded mortgage lending         27,335         27,12           Mortgage loan funding through Nykredit Realkredit A/S         585,652         565,73           Total         585,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         58,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         580,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         580,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         581,233         509,13           Balance, beginning of period, nominal value         51,233         509,13           Redemptions and extraordinary principal payments         46,909	Total	37	28
Positive market value of derivative financial instruments         95         16           Interest and commission receivable on loans and advances         1,396         2,00           Interest receivable from bonds and credit institutions         1,209         1,06           Remaining assets         21         4           Total         2,721         3,34           13. PAYABLES TO CREDIT INSTITUTIONS         3           Payables to credit institutions, other payables         48         3           Payables to Nykredit Realkredit A/S concerning supplementary collateral for SDO-funded mortgage lending         27,335         27,12           Mortgage loan funding through Nykredit Realkredit A/S         585,652         565,73           Total         585,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         58,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         580,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         580,452         565,752           Of which mortgage loan funding through Nykredit Realkredit A/S         581,233         509,13           Balance, beginning of period, nominal value         51,233         509,13           Redemptions and extraordinary principal payments         46,909			
Interest and commission receivable on loans and advances 1,396 2,00 Interest receivable from bonds and credit institutions 1,209 1,00 Remaining assets 2,10 2,10 2,10 2,10 2,10 2,10 2,10 2,10		O.F.	100
Interest receivable from bonds and credit institutions   1,209   1,06     Remaining assets   21   2   2   2   3,3     Total   2,721   3,3     Payables to CREDIT INSTITUTIONS   48   3     Payables to credit institutions, other payables   48   3     Payables to redit institutions, other payables   48   3     Payables to Nykredit Realkredit A/S   558,069   538,56     Total   58,552   565,73     Total   531,233   509,13     Total   531,233   509,13     Total   531,233   509,13     Total   531,233   509,13     Total   54,000   54,000     Total   54,000   54,000     Total   558,069   538,56     Total   5			166 2.051
Remaining assets         21         4           Total         2,721         3,34           13. PAYABLES TO CREDIT INSTITUTIONS           Payables to credit institutions, other payables         48         3           Payables to Nykredit Realkredit A/S concerning supplementary collateral for SDO-funded mortgage lending         27,335         27,135           Mortgage loan funding through Nykredit Realkredit A/S         585,609         538,562         565,73           Of which mortgage loan funding through Nykredit Realkredit A/S         4         3         509,13         509,13         509,13         509,13         509,13         Additions         57,403         211,65         62,70         211,65         Redemptions and prepayments and extraordinary principal payments         (40,861)         (183,76         183,76			1,082
			43
13. PAYABLES TO CREDIT INSTITUTIONS	Total		3,342
Payables to credit institutions, other payables         48         3           Payables to Nykredit Realkredit A/S concerning supplementary collateral for SDO-funded mortgage lending         27,335         27,12           Mortgage loan funding through Nykredit Realkredit A/S         588,69         538,56           Total         585,452         565,73           Of which mortgage loan funding through Nykredit Realkredit A/S         558,69         531,233         509,13           Balance, beginning of period, nominal value         531,233         509,13         211,65           Redemptions and prepayments         (40,861)         (18,376)         (5,79)           Balance, end of period, nominal value         546,292         531,233         (5,79)           Balance, end of period, nominal value         546,292         531,233         (5,79)           Total         546,292         531,233         (5,79)           It is subjust and extraordinary principal payments         (1,483)         (5,79)           14. ISSUED BONDS AT FAIR VALUE         558,669         538,56           14. ISSUED BONDS AT FAIR VALUE         46,909         56,36           Additions         -         -           Redemptions and prepayments         (1,437)         (7,47)           Prepayments and extraordinary principal paym			
Payables to Nykredit Realkredit A/S concerning supplementary collateral for SDO-funded mortgage lending         27,335         27,12           Mortgage loan funding through Nykredit Realkredit A/S         588,69         538,56           Total         585,452         565,73           Of which mortgage loan funding through Nykredit Realkredit A/S           Balance, beginning of period, nominal value         531,233         509,13           Additions         57,403         211,65           Redemptions and prepayments         (40,861)         (183,76)           Prepayments and extraordinary principal payments         (1,483)         (5,79)           Balance, end of period, nominal value         546,292         531,23           Fair value adjustment         11,777         7,33           Total         558,069         538,56           14. ISSUED BONDS AT FAIR VALUE         46,909         56,33           Covered bonds issued against mortgages over real estate         8         8           Balance, beginning of period, nominal value         46,909         56,33           Additions         -         -           Redemptions and prepayments         (1,437)         (7,47)           Prepayments and extraordinary principal payments         (390)         (1,98)           Balan	13. PAYABLES TO CREDIT INSTITUTIONS		
Mortgage loan funding through Nykredit Realkredit A/S         558,069         538,56           Total         585,452         565,73           Of which mortgage loan funding through Nykredit Realkredit A/S           Balance, beginning of period, nominal value         531,233         509,13           Additions         57,403         211,65           Redemptions and prepayments         (40,861)         (183,76)           Prepayments and extraordinary principal payments         (1,483)         (5,79)           Balance, end of period, nominal value         546,292         531,233           Fair value adjustment         11,777         7,33           Total         558,069         538,56           14. ISSUED BONDS AT FAIR VALUE         558,069         538,56           14. ISSUED genining of period, nominal value         46,909         56,36           Additions         -         -           Redemptions and prepayments         (1,437)         (7,47)           Prepayments and extraordinary principal payments         (390)         (1,98)           Balance, end of period         45,082         46,909           Set-off of self-issued bonds         (2,272)         (2,29)           Feir value adjustment         2,183         1,95	Payables to credit institutions, other payables		39
Total         585,452         565,73           Of which mortgage loan funding through Nykredit Realkredit A/S         531,233         509,13           Balance, beginning of period, nominal value         531,233         509,13           Additions         57,403         211,65           Redemptions and prepayments         (40,861)         (183,76)           Prepayments and extraordinary principal payments         11,483         (5,79)           Balance, end of period, nominal value         546,292         531,23           Fotal         558,069         538,56           14. ISSUED BONDS AT FAIR VALUE         558,069         538,56           14. ISSUED BONDS AT FAIR VALUE         46,909         56,36           Covered bonds issued against mortgages over real estate         46,909         56,36           Balance, beginning of period, nominal value         46,909         56,36           Additions         -         -           Redemptions and prepayments         (1,437)         (7,47)           Prepayments and extraordinary principal payments         (390)         (1,98)           Balance, end of period         45,082         46,90           Set-off of self-issued bonds         (2,272)         (2,29)           Fair value adjustment         44,993			27,129
Of which mortgage loan funding through Nykredit Realkredit A/S           Balance, beginning of period, nominal value         531,233         509,13           Additions         57,403         211,65           Redemptions and prepayments         (40,861)         (1833,76)           Prepayments and extraordinary principal payments         (1,483)         (5,79)           Balance, end of period, nominal value         546,292         531,23           Fair value adjustment         11,777         7,33           Total         558,069         538,56           14. ISSUED BONDS AT FAIR VALUE         Covered bonds issued against mortgages over real estate         46,909         56,36           Balance, beginning of period, nominal value         46,909         56,36           Additions         -         -           Redemptions and prepayments         (1,437)         (7,47)           Prepayments and extraordinary principal payments         (390)         (1,98)           Balance, end of period         45,082         46,909           Set-off of self-issued bonds         (2,272)         (2,292)           Fair value adjustment         2,183         1,95           Total         44,993         46,56			538,567
Balance, beginning of period, nominal value         531,233         509,13           Additions         57,403         211,65           Redemptions and prepayments         (40,861)         (183,76)           Prepayments and extraordinary principal payments         1,483         (5,79)           Balance, end of period, nominal value         546,292         531,23           Fair value adjustment         11,777         7,33           Total         558,069         538,56           14. ISSUED BONDS AT FAIR VALUE         46,909         56,36           Covered bonds issued against mortgages over real estate         46,909         56,36           Balance, beginning of period, nominal value         46,909         56,36           Additions         -         -           Redemptions and prepayments         (1,437)         (7,47)           Prepayments and extraordinary principal payments         (390)         (1,98)           Balance, end of period         45,082         46,909           Set-off of self-issued bonds         (2,272)         (2,29)           Fair value adjustment         2,183         1,95           Total         44,993         46,56	Total	585,452	565,735
Balance, beginning of period, nominal value         531,233         509,13           Additions         57,403         211,65           Redemptions and prepayments         (40,861)         (183,76)           Prepayments and extraordinary principal payments         1,483         (5,79)           Balance, end of period, nominal value         546,292         531,23           Fair value adjustment         11,777         7,33           Total         558,069         538,56           14. ISSUED BONDS AT FAIR VALUE         46,909         56,36           Covered bonds issued against mortgages over real estate         46,909         56,36           Balance, beginning of period, nominal value         46,909         56,36           Additions         -         -           Redemptions and prepayments         (1,437)         (7,47)           Prepayments and extraordinary principal payments         (390)         (1,98)           Balance, end of period         45,082         46,909           Set-off of self-issued bonds         (2,272)         (2,29)           Fair value adjustment         2,183         1,95           Total         44,993         46,56	Of which moutages loss funding through Nulrealit Deallreadit A /C		
Additions       57,403       211,65         Redemptions and prepayments       (40,861)       (183,76)         Prepayments and extraordinary principal payments       (1,483)       (5,79)         Balance, end of period, nominal value       546,292       531,23         Fair value adjustment       11,777       7,33         Total       558,069       538,56         14. ISSUED BONDS AT FAIR VALUE       200       56,36         Covered bonds issued against mortgages over real estate       46,909       56,36         Balance, beginning of period, nominal value       46,909       56,36         Additions       -       -         Redemptions and prepayments       (1,437)       (7,47)         Prepayments and extraordinary principal payments       (390)       (1,98)         Balance, end of period       45,082       46,909         Set-off of self-issued bonds       (2,272)       (2,29)         Fair value adjustment       2,183       1,95         Total       44,993       46,50		521 222	500 138
Redemptions and prepayments       (40,861)       (183,76)         Prepayments and extraordinary principal payments       (1,483)       (5,79)         Balance, end of period, nominal value       546,292       531,23         Fair value adjustment       11,777       7,33         Total       558,069       538,56         14. ISSUED BONDS AT FAIR VALUE       2       46,909       56,36         Covered bonds issued against mortgages over real estate       46,909       56,36         Balance, beginning of period, nominal value       46,909       56,36         Additions       -       -         Redemptions and prepayments       (1,437)       (7,47)         Prepayments and extraordinary principal payments       (390)       (1,98)         Balance, end of period       45,082       46,909         Set-off of self-issued bonds       (2,272)       (2,29)         Fair value adjustment       2,183       1,95         Total       44,993       46,50			
Prepayments and extraordinary principal payments  Balance, end of period, nominal value  Fair value adjustment  Total  11,777  7,33  Total  14. ISSUED BONDS AT FAIR VALUE  Covered bonds issued against mortgages over real estate  Balance, beginning of period, nominal value  Additions  Redemptions and prepayments  Redemptions and prepayments  (1,437)  Prepayments and extraordinary principal payments  Balance, end of period  Set-off of self-issued bonds  Set-off of self-issued bonds  Fair value adjustment  Total  (1,483)  (5,79)  538,56  5			
Balance, end of period, nominal value546,292531,23Fair value adjustment11,7777,33Total558,069538,5614. ISSUED BONDS AT FAIR VALUE20050,30Covered bonds issued against mortgages over real estate46,90956,30Balance, beginning of period, nominal value46,90956,30AdditionsRedemptions and prepayments(1,437)(7,47)Prepayments and extraordinary principal payments(390)(1,98)Balance, end of period45,08246,90Set-off of self-issued bonds(2,272)(2,29)Fair value adjustment2,1831,95Total44,99346,56			(5,798)
Total 558,069 538,560  14. ISSUED BONDS AT FAIR VALUE Covered bonds issued against mortgages over real estate Balance, beginning of period, nominal value 46,909 56,360 Additions 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Balance, end of period, nominal value		531,233
14. ISSUED BONDS AT FAIR VALUE  Covered bonds issued against mortgages over real estate  Balance, beginning of period, nominal value  Additions Additions Redemptions and prepayments (1,437) (7,47) Prepayments and extraordinary principal payments (390) (1,98)  Balance, end of period Set-off of self-issued bonds Fair value adjustment  7 Total  44,993 46,56	Fair value adjustment	11,777	7,334
Covered bonds issued against mortgages over real estate  Balance, beginning of period, nominal value  Additions Additions Redemptions and prepayments (1,437) Prepayments and extraordinary principal payments (390) (1,989)  Balance, end of period Set-off of self-issued bonds Set-off of self-issued bonds Fair value adjustment  Total  A6,909 56,36 46,909 17,477 17,477 18,999	Total	558,069	538,567
Covered bonds issued against mortgages over real estate  Balance, beginning of period, nominal value  Additions Additions Redemptions and prepayments (1,437) Prepayments and extraordinary principal payments (390) (1,989)  Balance, end of period Set-off of self-issued bonds Set-off of self-issued bonds Fair value adjustment  Total  A6,909 56,36 46,909 17,477 17,477 18,999			
Balance, beginning of period, nominal value  Additions Redemptions and prepayments (1,437) (7,47) Prepayments and extraordinary principal payments  Balance, end of period Set-off of self-issued bonds Fair value adjustment  Total  46,909 56,36 (1,437) (7,47) (7,47) (390) (1,98) (1,98) (2,29) (2,29) (2,29) (3,29) (3,29) (3,29) (3,29) (3,29) (4,99) (4,99) (4,99) (4,99) (5,36) (1,98) (5,36) (1,98) (1,9			
Additions  Redemptions and prepayments  (1,437) (7,47: (1,437) (7,47: (1,437) (7,47: (1,437) (		46,000	FC 200
Redemptions and prepayments  Prepayments and extraordinary principal payments  Redemptions and prepayments  (1,437) (7,472)  (390) (1,982)  Redemptions and prepayments  (390) (1,982)  46,902  (2,272) (2,292)  Fair value adjustment  7 Cotal  44,993  46,503		46,909	56,366
Prepayments and extraordinary principal payments  Balance, end of period  Set-off of self-issued bonds Fair value adjustment  Total  (390) (1,988 46,90 (2,299) (2,299) (2,299) (390) (1,988) (2,299)		(1.437)	- (7 /172)
Balance, end of period       45,082       46,902         Set-off of self-issued bonds       (2,272)       (2,293)         Fair value adjustment       2,183       1,95         Total       44,993       46,56			
Set-off of self-issued bonds       (2,272)       (2,292)         Fair value adjustment       2,183       1,95         Total       44,993       46,56			46,909
Fair value adjustment       2,183       1,95         Total       44,993       46,56	Set-off of self-issued bonds		(2,293)
	Fair value adjustment		1,952
Bonds redeemed at next creditor payment date 1,397 1,25	Total	44,993	46,568
Bonds redeemed at next creditor payment date 1,397 1,25			
	Bonds redeemed at next creditor payment date	1,397	1,254



	31.03.2014	31.12.2013
5. OTHER LIABILITIES		
nterest payable on issued covered bonds, including bonds issued by Nykredit Realkredit A/S for the funding of mortgage lending		
ny Totalkredit A/S Negative market value of derivative financial instruments	6,917 71	7,104 168
Remaining liabilities	952	1,490
Total Total	7,940	8,762
6. SUBORDINATED DEBT		
subordinated debt consists of financial liabilities in the form of subordinate loan capital which, in case of voluntary or compulsory iquidation, will not be repaid until the claims of ordinary creditors have been met. Nykredit Realkredit A/S is creditor on the oans. Subordinated debt is included in Totalkredit's own funds in accordance with the EU's Capital Requirements Regulation CRR).		
Nom DKK 2,600m. The loan falls due at par (100) on 24 June 2018 and carries an interest rate of 0.45% pa above 3M Cibor. Nom DKK 500m. The loan falls due at par (100) on 1 December 2018 and carries an interest rate of 6.00% pa above 3M Cibor. Measured at fair value, the two loans total DKK 3,100m.		
7. OFF-BALANCE SHEET ITEMS		
Guarantees Financial guarantees	0	0
otal guarantees	0	0
Other commitments	10	10
Other liabilities  Total other commitments	10 10	10 10
Fotal off-balance sheet items	10	10



#### **Notes**

#### 18. RELATED PARTY TRANSACTIONS AND BALANCES

The Parent Company Nykredit Realkredit A/S, Copenhagen, group enterprises and associates of Nykredit Realkredit A/S as well as Totalkredit A/S's Board of Directors, Executive Board and related parties thereof are regarded as related parties.

Transactions with Nykredit are based on agreements, and no unusual related party transactions have occurred in 2014.

Agreements include intra-group funding, loan capital and supplementary collateral, referral commission, IT support and development, payroll and staff administration, asset and risk management, and other administrative tasks. Intercompany trade and services took place on an arm's length basis or on a cost reimbursement basis.

Transactions with Totalkredit's Board of Directors, its Executive Board and related parties thereof exclusively include mortgage loans granted on the terms stated on Totalkredit's price list.

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

#### Agreements between Totalkredit A/S and Nykredit Realkredit A/S

Agreement on the distribution of mortgage loans to personal customers via Totalkredit A/S (this agreement was concluded on the same terms as apply to other partners, including commission payments).

Framework agreements on the terms applicable to transactions in the securities area, including portfolio management.

Agreement on joint funding of mortgage lending.

#### Agreements between Totalkredit A/S and Nykredit Mægler A/S

Agreement on commission payable in connection with referral of lending business.

#### Agreements between Totalkredit A/S and Nykredit Bank A/S

Agreement on commission payable in connection with referral of lending business.



### Capital and capital adequacy

DKK million

	31.03.2014	31.12.2013
Own funds		
Equity, end of period	16,022	15,655
Difference between expected losses and impairment losses	(303)	(32)
Other deductions	(126)	(2)
Transitional adjustment of deductions	242	-
Common Equity Tier 1 (CET1) capital	15,836	15,621
Transitional adjustment of deductions	(121)	-
Set-off of excess deduction	121	-
Tier 2 capital (incl transitional adjustments)	2,480	3,100
Tier 2 deductions	(121)	(32)
Own funds	18,195	18,689
		.,
Capital requirement		
Credit risk	7,097	6,573
Market risk	181	198
Operational risk	244	246
Total capital requirement <sup>1</sup>	7,522	7,017
Total risk exposure amount	94,031	87,708
Financial ratios	16.0	17.0
Common Equity Tier 1 (CET1) capital ratio, %	16.8	17.8
Total capital ratio, %	19.3	21.3
<sup>1</sup> The capital requirement is determined subject to a transitional rule in accordance with the transitional provisions of the EU's		
Capital Requirements Regulation (CRR).		
The capital requirement must constitute at least 80% of the capital requirement determined under Basel I.		
At end-Q1/2014, the capital requirement under the transitional rules was DKK 17.4bn.		
Required own funds and internal capital adequacy requirement		
Pillar I – primary risk		
Credit risk	6,805	6,806
Market risk	294	239
Operational risk	194	183
Total Pillar I	7,294	7,227
	7,23.	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Pillar II – other risk		
Weaker economic climate	882	904
Other factors	818	813
Total Pillar II	1,700	1,717
Total required own funds	8,993	8,945
Total risk exposure amount	94,031	87,708
Internal capital adequacy requirement (ICAAP), %	9.6	10.2
internal capital adequacy regaliement (terral ), /0	5.0	10.2

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

The European Banking Authority (EBA) publishes technical standards for the determination of capital and the risk exposure amount. However, several technical standards have not been finally adopted. The final standards may contain provisions that will result in changes to the statements.

The statements as at 31 December 2013 were based on the then applicable rules of the Danish Financial Business Act. The layout has been adjusted to reflect the new presentation format.



# Five-year financial highlights

	01/2014	01 /2012	01/2012	01/2011	01/2010
	Q1/2014	Q1/2013	Q1/2012	Q1/2011	Q1/2010
INCOME STATEMENT					
Net interest income	1,080	798	717	682	705
Net fee income	(464)	(384)	(266)	(277)	(238)
Net interest and fee income	616	414	451	405	467
Value adjustments Other operating income	(15)	(18) 0	(23) 0	(55) 0	13
Staff and administrative expenses	95	95	102	97	112
Depreciation and impairment losses for property, plant and equipment	0	0	0	0	0
Impairment losses on loans, advances and receivables	18	123	152	50	(20)
Profit before tax	487	178	175	203	388
Tax	119	45	44	51	97
Profit for the period	368	133	131	152	291
SUMMARY BALANCE SHEET, END OF PERIOD	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
ASSETS					
Receivables from credit institutions	17,672	16,718	26,000	11,239	16,521
Mortgage loans	544,361	528,658	486,676	454,276	439,094
Bonds at fair value	92,539	99,557	89,315	61,965	50,366
Remaining assets	2,971	3,045	3,666	3,602	2,787
Total assets	657,543	647,978	605,657	531,082	508,768
LIABULTIES AND FOLUTY					
LIABILITIES AND EQUITY	F0F 4F2	FCC 043	EOE 010	422.776	202.010
Payables to credit institutions Issued bonds	585,452 44,993	566,943 54,799	505,019 74,150	422,776 83,109	383,918 100,933
Subordinated debt – Tier 2 capital	3,100	3,100	3,100	2,600	2,600
Remaining liabilities	7,976	7,913	9,439	9,189	8,657
Equity	16,022	15,223	13,949	13,408	12,660
Total liabilities and equity	657,543	647,978	605,657	531,082	508,768
FINANCIAL RATIOS					
Profit for the period as % of average equity	2.3	0.9	0.9	1.1	2.3
Profit before tax for the period as % of average equity	3.1	1.2	1.3	1.5	3.1
Loans and advances:equity	34.0	34.7	34.9	33.9	34.7
Growth in loans and advances for the period, % Impairment losses for the period, %	(0.2) 0.00	1.1 0.02	1.2 0.03	0.9 0.01	1.1 0.00
Total capital ratio, %	19.3	21.1	17.9	24.0	26.1
Common Equity Tier 1 (CET1) capital ratio, %	16.8	17.6	14.8	20.2	21.7
Average number of full-time staff	128	132	115	123	122
Average number of run time starr	120	132	115	123	122



# Six-quarter financial highlights

639 (59) (2) <b>578</b> 95 <b>483</b> 18 <b>465</b> 23 <b>487</b> 119 <b>368</b> 31.03.2014 17,672 544,361 92,539	618 (79) (2) <b>537</b> 104 <b>433</b> 232 <b>201</b> 7 <b>208</b> 52 <b>156</b> 31.12.2013	470 (83) (3) 384 92 292 90 202 48 250 63 187	406 (78) 0 328 106 222 122 100 18 118 29 89	463 (73) 3 393 95 298 123 175 3 178 45 133	446 (71) (3) <b>372</b> 84 <b>288</b> 84 <b>203</b> (59) <b>145</b> 37 <b>108</b>
(59) (2) 578 95 483 18 465 23 487 119 368 31.03.2014	(79) (2) 537 104 433 232 201 7 208 52 156	(83) (3) 384 92 292 90 202 48 250 63 187	(78) 0 328 106 222 122 100 18 118 29 89	(73) 3 393 95 298 123 175 3 178 45	(71) (3) 372 84 288 84 203 (59) 145 37
(59) (2) 578 95 483 18 465 23 487 119 368 31.03.2014	(79) (2) 537 104 433 232 201 7 208 52 156	(83) (3) 384 92 292 90 202 48 250 63 187	(78) 0 328 106 222 122 100 18 118 29 89	(73) 3 393 95 298 123 175 3 178 45	(71) (3) 372 84 288 84 203 (59) 145 37
(59) (2) 578 95 483 18 465 23 487 119 368 31.03.2014	(79) (2) 537 104 433 232 201 7 208 52 156	(83) (3) 384 92 292 90 202 48 250 63 187	(78) 0 328 106 222 122 100 18 118 29 89	(73) 3 393 95 298 123 175 3 178 45	(71) (3) 372 84 288 84 203 (59) 145 37
(2) 578 95 483 18 465 23 487 119 368 31.03.2014	(2) 537 104 433 232 201 7 208 52 156 31.12.2013	(3) 384 92 292 90 202 48 250 63 187	0 328 106 222 122 100 18 118 29 89	3 393 95 298 123 175 3 178 45	(3) 372 84 288 84 203 (59) 145 37
578 95 483 18 465 23 487 119 368 31.03.2014	537 104 433 232 201 7 208 52 156	384 92 292 90 202 48 250 63 187	328 106 222 122 100 18 118 29	393 95 298 123 175 3 178 45	372 84 288 84 203 (59) 145 37
95 483 18 465 23 487 119 368 31.03.2014 17,672 544,361	104 433 232 201 7 208 52 156	92 292 90 202 48 250 63 187	106 222 122 100 18 118 29 89	95 298 123 175 3 178 45 133	84 288 84 203 (59) 145 37 108
483 18 465 23 487 119 368 31.03.2014 17,672 544,361	433 232 201 7 208 52 156	292 90 202 48 250 63 187	222 122 100 18 118 29 89	298 123 175 3 178 45 133	288 84 203 (59) 145 37 108
18 465 23 487 119 368 31.03.2014 17,672 544,361	232 201 7 208 52 156 31.12.2013	90 202 48 250 63 187	122 100 18 118 29 89	123 1 <b>75</b> 3 1 <b>78</b> 45 1 <b>33</b>	84 <b>203</b> (59) <b>145</b> 37 <b>108</b>
465 23 487 119 368 31.03.2014 17,672 544,361	201 7 208 52 156 31.12.2013	202 48 250 63 187	100 18 118 29 89	175 3 178 45 133	203 (59) 145 37 108
23 487 119 368 31.03.2014 17,672 544,361	7 208 52 156 31.12.2013	48 <b>250</b> 63 <b>187</b>	18 118 29 89	3 178 45 133	(59) <b>145</b> 37 <b>108</b>
487 119 368 31.03.2014 17,672 544,361	208 52 156 31.12.2013	250 63 187	118 29 89	178 45 133	145 37 108
119 368 31.03.2014 17,672 544,361	52 <b>156</b> 31.12.2013	63 <b>187</b>	29 <b>89</b>	45 <b>133</b>	37 <b>108</b>
368 31.03.2014 17,672 544,361	156 31.12.2013	187	89	133	108
31.03.2014 17,672 544,361	31.12.2013				
17,672 544,361		30.09.2013	30.06.2013	31.03.2013	31.12.2012
544,361	16,263				
544,361	10,203	17,913	14,559	16,718	20,942
	540,670	535,768	531,185	528,658	522,980
32,333	79,357	109,151	50,393	99,557	85,235
2,971	3,534	4,246	3,577	3,045	3,240
657,543	639,824	667,078	599,714	647,978	632,397
037,513	033,02 1	007,070	333,711	017,570	032,337
585.452	565,734	590.041	521.723	566,943	547,012
					58,516
					3,100
					8,679
					15,090
657,543	639,824	667,078	599,714	647,978	632,397
9.3	4.0	4.8	2.3	3.5	2.9
11.7	5.2	5.3	2.6	4.6	5.4
16.5	19.4	24.0	32.4	24.2	22.6
0.00	0.05	0.02	0.02	0.02	0.02
19.3	21.3	21.9	21.9	21.1	22.2
16.8	17.8	18.3	18.3	17.6	18.4
		This docum	ent is an Fnalish i	translation of the	
					es
	9.3 11.7 16.5 0.00 19.3	44,993 46,568 3,100 3,100 7,976 8,767 16,022 15,655 657,543 639,824  9.3 4.0  11.7 5.2 16.5 19.4 0.00 0.05 19.3 21.3	44,993	44,993	44,993       46,568       48,603       52,371       54,799         3,100       3,100       3,100       3,100       3,100         7,976       8,767       9,836       7,209       7,913         16,022       15,655       15,498       15,311       15,223         657,543       639,824       667,078       599,714       647,978         9.3       4.0       4.8       2.3       3.5         11.7       5.2       5.3       2.6       4.6         16.5       19.4       24.0       32.4       24.2         0.00       0.05       0.02       0.02       0.02         19.3       21.3       21.9       21.9       21.1