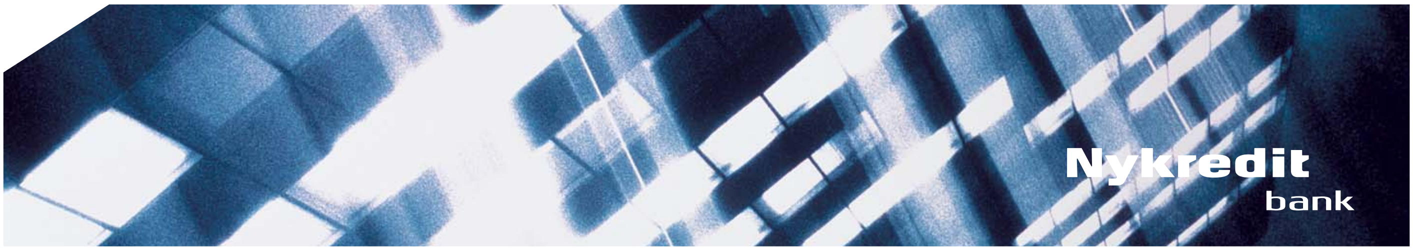


**To the Copenhagen Stock Exchange
and the press**

19 May 2005

# Q1 Interim Report
# The Nykredit Bank Group
# 1 January 2005 - 31 March 2005

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From today the Q1 Interim Report of Nykredit Bank can be downloaded as a pdf file from Nykredit's website www.nykredit.com.

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| DKK MILLION | Q1/2005 | Q1/2004 * | FY2004 * |
|---|---|---|---|
| **SUMMARY INCOME STATEMENT** | | | |
| Net interest income | 236 | 138 | 761 |
| Dividend, fee and commission income (net) | 47 | 21 | 114 |
| **Net interest and fees income** | **283** | **159** | **875** |
| Value adjustments | 5 | 116 | 12 |
| Other operating income | 5 | 11 | 42 |
| Staff costs and administrative expenses | (132) | (117) | (499) |
| Depreciation, amortisation and write-downs on property, plant and equipment and intangible assets | 0 | (2) | (3) |
| Provisions for loan impairment | (3) | (16) | (6) |
| **Profit before tax for the period** | **158** | **151** | **421** |
| Tax | (47) | (45) | (131) |
| **Profit for the period** | **111** | **106** | **290** |

* Incl reclassification, cf new accounting policies

| **BALANCE SHEET, END OF PERIOD** | **31.03.2005** | **31.03.2004 ** ** | **31.12.2004 *** |
|---|---|---|---|
| **Assets** | | | |
| Cash in hand and receivables from credit institutions | 15,106 | 23,462 | 13,094 |
| Loans, advances and other receivables at fair value | 6,709 | 4,546 | 5,242 |
| Loans, advances and other receivables at amortised cost | 18,495 | 18,639 | 17,408 |
| Bonds at fair value (trading portfolio) | 34,412 | 30,717 | 31,512 |
| Shares | 246 | 60 | 74 |
| Total investment and domicile properties | 250 | 253 | 251 |
| Other property, plant and equipment | 4 | 10 | 9 |
| Other assets and prepayments | 5,920 | 5,907 | 6,369 |
| **Total assets** | **81,142** | **83,594** | **73,959** |
| | | | |
| **Liabilities and equity** | | | |
| Payables to credit institutions and central banks | 46,647 | 47,309 | 39,695 |
| Deposits and other payables | 20,240 | 15,437 | 19,094 |
| Issued bonds | 576 | 305 | 315 |
| Non-derivative financial liabilities at fair value | 3,580 | 11,119 | 5,110 |
| Other liabilities and deferred income | 5,981 | 5,634 | 5,728 |
| **Total payables** | **77,024** | **79,804** | **69,942** |
| Provisions | 32 | 25 | 42 |
| Subordinate loan capital | 800 | 800 | 800 |
| **Equity:** | | | |
| – Previous policy | - | 2,968 | 3,151 |
| – Effect of policy changes | - | (3) | 24 |
| **Equity (incl profit for the period/year)** | **3,286** | **2,965** | **3,175** |
| **Total liabilities and equity** | **81,142** | **83,594** | **73,959** |
| | | | |
| **Off-balance sheet items** | | | |
| Guarantees | 11,320 | 6,919 | 7,919 |
| Other contingent liabilities | 2,307 | 2,697 | 2,280 |
| **Total off-balance sheet items** | **13,627** | **9,616** | **10,199** |

* According to new accounting policies, cf opening balance sheet at 01.01.2005
** Incl reclassification, cf new accounting policies

| **KEY RATIOS** | | | |
|---|---|---|---|
| Capital adequacy ratio | 9.4 | 10.4 | 10.4 |
| Core capital ratio | 7.9 | 8.1 | 8.3 |
| Return on equity before tax (pa) [1] | 19.6% | 20.7% | 14.0% |
| Return on equity after tax (pa) [1] | 13.7% | 14.6% | 9.6% |
| Income/cost ratio DKK [1] | 2.17 | 2.12 | 1.83 |
| Interest rate risk | 2.6% | 2.6% | 3.0% |
| Accumulated provisioning ratio | 0.6 | 1.0 | 0.8 |
| Provisioning ratio for the period | 0.0 | 0.1 | 0.0 |

1) Comparative figures include the effects of new accounting policies

# Q1 Interim Report

- Profit before tax of DKK 158m against DKK 151m in Q1/2004
- Profit before tax equalled a return on equity of 19.6% compared with 20.7% for Q1/2004 and 14.0% for FY2004
- Continuously very low provisions for loan impairment and guarantees
- Satisfactory development in lending and deposits since end-2004

The Nykredit Bank Group recorded a profit before tax of DKK 158m in Q1/2005. The results, which are on a level with results for Q1/2004, are satisfactory.

Income from interest, fees and value adjustments increased by DKK 13m, while other operating income was down DKK 6m to DKK 5m on Q1/2004 which was characterised by non-recurring income from the transfer of mortgage trading activities.

Costs rose from DKK 119m to DKK 132m following a strengthening in the Investment & Pension activities and the set-up of a nation-wide financial adviser function in H2/2004. Impairment losses and provisions continued to be very low as a result of the stable Danish economy.

Equity amounted to DKK 3,286m at 31 March 2005 incl profit for the period (DKK 111m) and the effect of new accounting policies (DKK 24m). The transition to new accounting policies and the effects hereof are described on page 6. The capital adequacy ratio was 9.4 against 10.4 at end-2004.

## BUSINESS AREAS

The presentation of the Bank's business areas is based on the principles applied in connection with the internal reporting to the Bank's Management. The sum of ″core income″ and ″investment portfolio income″ equals income from ″net interest, fees, value adjustments and other operating income″ in the financial statements. Operating costs comprise directly attributable costs and allocated costs. The latter is based on sharing keys as well as internal agreements between the individual business areas.

The increase in Group core income came to DKK 24m, while investment portfolio income showed a reduction of DKK 17m - mainly an effect of the same quarter last year being affected by significant positive value adjustments of bonds and unlisted shares in the Bank's own portfolio.

Retail Customers reported a 30% increase in profit before tax to DKK 30m. Income increased as a result of growth in lending as well as deposits, but also income from guarantees related to mortgage refinancing activities showed considerable improvement. Overall, costs and provisions were largely unchanged compared with Q1/2004.

Commercial Customers showed a fall in results of DKK 9m compared with Q1/2004. Income decreased by DKK 13m. However, this development should be considered in the light of the fact that credit bonds generated capital gains of around DKK 20m in Q1/2004. Otherwise, the business area generally saw improve-

**The Nykredit Bank Group**

| | **Retail Customers** | | **Commercial Customers** | | **Markets & Asset Management** | | **Group items *** | | **Nykredit Bank Group, total** | |
|---|---|---|---|---|---|---|---|---|---|---|
| DKKm | Q1/05 | Q1/04 | Q1/05 | Q1/04 | Q1/05 | Q1/04 | Q1/05 | Q1/04 | Q1/05 | Q1/04 |
| **Core income** | **66** | **59** | **55** | **68** | **150** | **122** | **17** | **15** | **288** | **264** |
| Operating costs | (32) | (30) | (25) | (18) | (75) | (71) | - | - | (132) | (119) |
| **Core earnings before impairment losses** | **34** | **29** | **30** | **50** | **75** | **51** | **17** | **15** | **156** | **145** |
| Provisions for loan impairment | (4) | (6) | 1 | (10) | 0 | 0 | - | - | (3) | (16) |
| **Core earnings after impairment losses** | **30** | **23** | **31** | **40** | **75** | **51** | **17** | **15** | **153** | **129** |
| Investment portfolio income | - | - | - | - | - | - | 5 | 22 | 5 | 22 |
| **Profit before tax** | **30** | **23** | **31** | **40** | **75** | **51** | **22** | **37** | **158** | **151** |

* Comprises income from securities not allocated to the individual business areas but included in the Bank's own portfolio.

ment in income from interest and fees. As expected, costs increased by DKK 7m, one reason being the set-up of the nation-wide financial adviser function.

Markets & Asset Management improved results by DKK 24m to DKK 75m. The underlying business areas developed in a favourable direction, and particularly Nykredit Markets enjoyed high customer activity and earnings levels within trading in interest rate products and derivative financial instruments.

Q1 was also influenced by further consolidation of the sales and cooperation activities across the Nykredit Group's business areas and sales channels, including cooperation with the banks behind Totalkredit.

**Equity**

| DKKm | 31 March 2005 | 31 December 2004 | 31 March 2004 |
|---|---|---|---|
| Previous policy | 3,151 | 3,151 | 2,968 |
| Effects of changed accounting policies | 24 | 24 | (3) |
| **Total** | **3,175** | **3,175** | **2,965** |
| Profit for the period | 111 | | |
| **Equity at 31 March 2005** | **3,286** | | |

**The Nykredit Bank Group**
**Capital and capital adequacy (excl profit for the period)**

| DKKm - % | Q1/ 2005 | FY 2004 | Q1/ 2004 |
|---|---|---|---|
| Total core capital | 3,175 | 3,151 | 2,861 |
| Supplementary capital | 800 | 800 | 800 |
| Deductions from core capital and supplementary capital | (186) | 0 | (2) |
| **Total** | **3,789** | **3,951** | **3,659** |
| Weighted items | 39,996 | 37,933 | 35,095 |
| Capital adequacy ratio | 9.4 | 10.4 | 10.4 |
| Core capital ratio | 7.9 | 8.3 | 8.1 |

## BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

The Nykredit Bank Group's assets rose by DKK 7.2bn to DKK 81.1bn compared with end-2004 (both figures are based on new accounting policies). The items "Loans, advances and other receivables at amortised cost" and "Bonds" accounted for DKK 1bn and DKK 3bn of the increase, respectively. Loans and advances at fair value (reverse transactions) went up by DKK 1.5bn.

Payables also increased by approx DKK 7bn to DKK 77bn - primarily through increased payables to credit institutions.

Since 31 December 2004, the Bank has issued new bonds for a total of DKK 261m bringing total issues up to DKK 586m. A nominal DKK 564m hereof has been listed on the OMX (Copenhagen Stock Exchange). Under the new accounting rules, the Bank is required to offset its portfolio of own bonds (DKK 10m) against issues, and the carrying amount was subsequently DKK 576m.

### Equity

Excluding the effect of the accounting policy changes (DKK 24m at 1 January 2005), equity grew by DKK 111m equal to profit for the period.

### Capital adequacy and core capital

The Group's capital adequacy ratio was reduced by 1 percentage point to 9.4 relative to 31 December 2004. This can be ascribed to an increase in weighted items such as loans, advances and guarantees (refinancing activity) and an increased portfolio of investment units resulting in capital deductions at 31 March 2005. Comparative figures have not been adjusted for the effects of the new accounting policies.

## OUTLOOK FOR 2005

Q1/2005 was generally characterised by a positive development in all business areas. A significant part of the Bank's earnings still consist of market-dependent income, the development and earnings of which should continue to be assessed with prudence. In consequence, the Bank currently maintains its expectations of a profit before tax of DKK 325-350m as indicated in the Annual Report for 2004.

| DKK MILLION | Q1 2005 | Opening bal. sheet 1 Jan 2005 | FY 2004 | Q4 2004 | Q3 2004 | Q2 2004 | Q1 2004 |
|---|---|---|---|---|---|---|---|
| **SUMMARY INCOME STATEMENT** | | | | | | | |
| Net interest income | 236 | - | 761 | 244 | 195 | 184 | 138 |
| Dividend, fees and commission income (net) | 47 | - | 114 | 21 | 41 | 31 | 21 |
| **Net interest and fee income** | **283** | **-** | **875** | **265** | **236** | **215** | **159** |
| Value adjustments | 5 | - | 12 | (53) | (44) | (7) | 116 |
| **Net income from interest, fees and value adjustments** | **288** | **-** | **887** | **212** | **192** | **208** | **275** |
| Other operating income | 5 | - | 42 | 22 | 4 | 5 | 11 |
| Staff costs and administrative expenses | (132) | - | (499) | (134) | (124) | (124) | (117) |
| Depreciation, amortisation and write-downs on property, plant and equipment and intangible assets | 0 | - | (3) | 0 | 0 | (1) | (2) |
| Provisions for loan impairment | (3) | - | (6) | 27 | (7) | (10) | (16) |
| **Profit before tax** | **158** | **-** | **421** | **127** | **65** | **78** | **151** |
| Tax | (47) | - | (131) | (42) | (21) | (23) | (45) |
| **Profit for the period** | **111** | **-** | **290** | **85** | **44** | **55** | **106** |
| | | | | | | | |
| **BALANCE SHEET, END OF PERIOD** | | | | | | | |
| **Assets** | | | | | | | |
| Cash in hand and receivables from credit institutions | 15,106 | 13,094 | 13,094 | 13,094 | 19,485 | 20,508 | 23,462 |
| Loans, advances and other receivables at fair value | 6,709 | 5,242 | 5,242 | 5,242 | 7,753 | 5,724 | 4,546 |
| Loans, advances and other receivables at amortised cost | 18,495 | 17,408 | 17,360 | 17,360 | 18,041 | 18,784 | 18,639 |
| Bonds at fair value (trading portfolio) | 34,412 | 31,512 | 31,518 | 31,518 | 37,173 | 30,762 | 30,717 |
| Shares (trading portfolio and shares at fair value) | 246 | 74 | 74 | 74 | 49 | 46 | 60 |
| Land and buildings | | | | | | | |
| – Investment properties | 248 | 249 | 249 | 249 | 250 | 250 | 251 |
| – Domicile properties | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Other property, plant and equipment and intangible assets | 4 | 9 | 9 | 9 | 13 | 14 | 10 |
| Assets temporarily acquired | 1 | 2 | 2 | 2 | 2 | 1 | 1 |
| Other assets and prepayments | 5,919 | 6,367 | 6,204 | 6,204 | 5,763 | 5,145 | 5,906 |
| **Total assets** | **81,142** | **73,959** | **73,754** | **73,754** | **88,531** | **81,236** | **83,594** |
| | | | | | | | |
| **Liabilities and equity** | | | | | | | |
| Payables to credit institutions and central banks | 46,647 | 39,695 | 39,695 | 39,695 | 51,771 | 41,210 | 47,309 |
| Deposits and other payables | 20,240 | 19,094 | 19,094 | 19,094 | 20,596 | 20,762 | 15,437 |
| Issued bonds | 576 | 315 | 315 | 315 | 325 | 267 | 305 |
| Non-derivative financial liabilities at fair value | 3,580 | 5,110 | 5,110 | 5,110 | 6,646 | 10,322 | 11,119 |
| Other liabilities and deferred income | 5,981 | 5,728 | 5,566 | 5,566 | 5,302 | 4,829 | 5,634 |
| **Total payables** | **77,024** | **69,942** | **69,780** | **69,780** | **84,640** | **77,390** | **79,804** |
| Provisions | 32 | 42 | 26 | 26 | 27 | 27 | 25 |
| Subordinate loan capital | 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| **Equity:** | | | | | | | |
| – Previous policy | - | 3,151 | 3,151 | 3,151 | 3,067 | 3,022 | 2,968 |
| – Effect of policy changes | - | 24 | (3) | (3) | (3) | (3) | (3) |
| Beginning of 2005/Total | 3,175 | 3,175 | 3,148 | 3,148 | 3,064 | 3,019 | 2,965 |
| Profit Q1/2005 | 111 | | | | | | |
| **Total equity** | **3,286** | **3,175** | **3,148** | **3,148** | **3,064** | **3,019** | **2,965** |
| **Total liabilities and equity** | **81,142** | **73,959** | **73,754** | **73,754** | **88,531** | **81,236** | **83,594** |

The opening balance sheet at 1 January 2005 has been stated including value adjustments as a result of the implementation of new accounting policies.
Balance sheet figures for previous periods have been stated excl the effects of the new accounting policies regarding financial instruments.
To enhance comparability, reclassification has been made, and the contents and format of items therefore comply with the new policies and presentation form.

| DKK MILLION | Q1 2005 | Opening bal. sheet 1 Jan 2005 | FY 2004 | Q4 2004 | Q3 2004 | Q2 2004 | Q1 2004 |
|---|---|---|---|---|---|---|---|
| **Off-balance sheet items** | | | | | | | |
| Guarantees | 11,320 | 7,919 | 7,917 | 7,917 | 6,585 | 7,788 | 6,919 |
| Other commitments | 2,307 | 2,280 | 2,280 | 2,280 | 1,933 | 3,051 | 2,697 |
| **Total** | **13,627** | **10,199** | **10,197** | **10,197** | **8,518** | **10,839** | **9,616** |
| | | | | | | | |
| **KEY RATIOS** | | | | | | | |
| Capital adequacy ratio | 9.4 | 10.4 | 10.4 | 10.4 | 10.4 | 9.6 | 10.4 |
| Core capital ratio | 7.9 | 8.3 | 8.3 | 8.3 | 8.1 | 7.4 | 8.1 |
| Return on equity before tax (pa) | 19.6% | 14.0% | 14.0% | 16.4% | 8.5% | 10.4% | 20.7% |
| Return on equity after tax (pa) | 13.7% | 9.6% | 9.6% | 10.9% | 5.8% | 7.3% | 14.6% |
| Income/cost ratio DKK | 2.17 | 1.83 | 1.82 | 2.18 | 1.49 | 1.57 | 2.12 |
| Interest rate risk | 2.6% | 3.0% | 3.0% | 3.0% | 1.3% | 1.9% | 2.6% |
| Accumulated provisioning ratio | 0.6 | 0.8 | 0.8 | 0.8 | 0.7 | 0.7 | 1.0 |
| Provisioning ratio for the period | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |

## ACCOUNTING POLICIES

From 1 January 2005, as an issuer of listed bonds, Nykredit Bank A/S will present its Consolidated Financial Statements (Annual Report) in accordance with international accounting standards IAS/IFRS as adopted by the EU Commission.

Furthermore, from 1 January 2005, the Annual Report of the Parent Company, Nykredit Bank A/S, will be presented in accordance with the new Danish Executive Order on the Presentation of Financial Statements issued by the Danish Financial Supervisory Authority.

The Executive Order is based on and is in all essentials compatible with the IAS/IFRS except for a number of accounting options contained in the standards which have been excluded in the Danish Executive Order. Furthermore, the Danish Executive Order prescribes that subsidiaries, etc be recognised in the financial statements of the Parent Company in accordance with the ″equity method″ contrary to the IFRS which exclusively allows recognition at ″fair value″ or ″cost″. Otherwise, recognition and measurement comply with the IFRS provisions.

The recognition and measurement principles applied are the same in the Parent Company and in the Consolidated Financial Statements after which results and equity will be identical.

The Q1 Interim Report of the Nykredit Bank Group has been presented in accordance with the principles on recognition and measurement of the above-mentioned Executive Order and the IAS/IFRS.

The Q1 Interim Report has not been audited.

**Significant changes to accounting policies**

Financial reporting under the IAS/IFRS and the above Executive Order has led to a number of changes to the accounting policies and the presentation of items in financial statements. In consequence, the Bank and the Bank Group have prepared new opening balance sheets at 1 January 2005 comprising the changes following from the new accounting policies.

**Changes in the balance sheet at 1 January 2004, results 2004 and balance sheet at 1 January 2005**

| | 1 January 2004 | | | 2004 | 31 December 2004 | | |
|---|---|---|---|---|---|---|---|
| DKKm | Assets | Liabilities | Equity | Profit before tax | Assets | Liabilities | Equity |
| **Previous accounting policies** | **72,419** | **69,558** | **2,861** | **290** | **73,764** | **70,613** | **3,151** |
| Effect of changed policies | | | | | | | |
| – Employee benefits | | 3 | (3) | - | | - | (3) |
| – Provisions for loan impairment and guarantees | | | | | 25 | (2) | 27 |
| – Fees and transaction costs | | | | | 23 | | 23 |
| – Fair value adjustment of securities | | | | | (6) | | (6) |
| – Portfolio of own bonds | | | | | (10) | (10) | 0 |
| – Fair value adjustment of fixed-rate loans and advances on a hedged basis | | | | | 159 | | 159 |
| – Fair value adjustment of hedge derivatives | | | | | | 162 | (162) |
| – Provisions and other liabilities | | | | | | 8 | (8) |
| – Other adjustments | | | | | 4 | | 4 |
| – Estimated tax effect | | | | - | | 10 | (10) |
| **Total effect of policy changes** | | **3** | **(3)** | **-** | **195** | **171** | **24** |
| **New accounting policies** | **72,419** | **69,561** | **2,858** | **290** | **73,959** | **70,784** | **3,175** |

**Effect of changed accounting policies**

At 1 January 2005 the transition to new accounting policies increased Group assets by DKK 195m, while debt and total liabilities and equity increased by DKK 171m and DKK 24m, respectively. The changes are in line with levels announced in the Annual Report for 2004.

For 1 January to 31 March 2005 the implementation of new accounting policies led to a rise in profit after tax for the period of approximately DKK 10m and to a corresponding impact on equity relative to previous accounting policies.

In accordance with the IFRS, the opening balance sheet at 1 January 2004 and comparative figures for 2004 must be prepared in compliance with current IAS/IFRS. However, changes related to financial instruments (IAS 32 & 39) are not required to be finally recognised in the financial statements before 1 January 2005.

The majority of changes in the accounting policies affect the accounting treatment of ”financial instruments” for which reason the changes stated concerning the period before 1 January 2005 exclusively relate to the successive recognition of ”employee benefit obligations” and changed measurement principles (fair value) applicable to the Bank's properties included in operating leases.

However, to enhance the comparability, the Q1 Interim Report comprises reclassifications of all significant items.

**Description of significant changes**

**Employee benefits**

As a consequence of new accounting policies, a number of employee benefit obligations must be successively recognised in the financial statements – typically obligations related to anniversaries and pensions. The benefits have only affected results for 2004 to a moderate extent for which reason no adjustments have been made to results.

**Measurement of financial instruments in outline**

Basically, all financial assets are measured at fair value. Financial instruments recognised as ”Loans, advances and other receivables at amortised cost” and financial assets held-to-maturity have, however, been measured at amortised cost as the loans and advances are measured including fees, commissions and transaction costs which are considered to be an integrated part of the effective interest rate. Loans and advances included in the trading portfolio have been measured at fair value.

Financial liabilities have been measured at amortised cost on a current basis. However, financial liabilities included in the trading portfolio have been measured at fair value.

Derivative financial instruments are always measured at fair value. If a hedge has been established between one or more derivative financial instruments or one or more financial instruments measured at amortised cost, the hedged item will be measured at fair value. This ensures a symmetric treatment of the hedged position and the hedge instrument. Value adjustments have been recognised in the income statement on a current basis.

**Provisions for loan impairment**

Contrary to the previous mainly estimated assessments, IAS 39 contains a number of objective criteria for future provisioning for loan impairment. The application hereof means in particular that provisions are made later than under the previous accounting policies.

All significant loans and advances have been reviewed and in cases where an objective indication of impairment has been established, provisions for this have been made. Furthermore, provisions have been made at portfolio level.

**Fees and transaction costs**

In accordance with the new financial reporting provisions, fees, commissions and certain transaction costs being an integral part of the effective interest rate of a financial instrument must be amortised in line with the financial instrument. These items have previously been recognised in the income statement at the time of entry.

The amounts included in the opening balance sheet have been estimated to a partial extent.

Insignificant amounts and fees which are comparable to payment for work performed have not been amortised.

**Fair value adjustment of securities**

According to previous accounting policies, listed securities were recognised at market prices prevailing at the end of the financial period. In accordance with the new accounting rules, measurement is based on closing prices or, if the market is not substantially active or in other cases where closing prices do not reflect fair value, synthetic prices.

**Portfolio of own bonds**

Under the previous accounting policies, the portfolio of own issued bonds was recognised as an asset in the financial statements. Under the new accounting rules, the Bank's own portfolio (the asset) must be eliminated against the issued bonds (the liability).

**Fair value adjustment of loans, advances and related hedge instruments**
Nykredit Bank hedges the interest rate risk of fixed-rate assets and liabilities on a current basis.

According to previous accounting provisions, fixed-rate assets were not revalued at values exceeding cost and fixed-rate liabilities were not value adjusted. Furthermore, to obtain accounting symmetry, related derivative financial instruments (hedging instruments) have not been value adjusted.

According to the new accounting rules, derivative financial instruments must always be measured at fair value, while hedged, fixed-rate financial instruments must basically be measured at cost. To obtain accounting symmetry, the accounting rules allow the measurement of financial assets and liabilities being part of a hedge at fair value.

Derived value adjustments have been carried through profit or loss.

**Investment properties**
In future the Bank's properties leased on the basis of operating leases must be measured at fair value. Depreciation and write-downs have been recognised as value adjustments.

Previously, such properties were measured on the basis of cost exclusive of depreciation and write-downs made. Depreciation was recognised as depreciation of property, plant and equipment.

The new accounting policies do not result in value adjustment of properties as the amount previously carried equals fair value.

**Provisions**
Relative to previous policies, the item "Provisions" contains provisions for contractual costs related to the handling of non-performing claims. In future provisions will be set off against the item "Other administrative expenses" in the income statement.

**Tax**
Tax has been estimated at 30% of the changes in the accounting policies.

**Most significant reclassifications**
Along with the implementation of new accounting policies, a number of items have been reclassified. The reclassifications alone do not lead to changed measurements, nor do they affect results or equity. The most significant changes are:

Leased properties (operating leases) have been recognised under "Investment properties" (previously: Property, plant and equipment). Depreciation and write-downs have been recognised under "Value adjustments" (previously: Depreciation, amortisation and write-downs on property, plant and equipment and intangible assets).

Loans, advances and receivables being part of the trading portfolio of Markets & Asset Management have been recognised under "Loans, advances and other receivables at fair value" (previously: Loans and advances). The same applies to certain deposits and other financial liabilities forming part of the trading portfolio. In future these will be recognised under "Non-derivative financial liabilities at fair value" (previously: Deposits and Other liabilities).

Certain claims priced in active markets and measured at fair value have been recognised under "Bonds at fair value" (previously: Loans and advances).