

To NASDAQ OMX Copenhagen A/S
and the press

20 August 2013

**NYKREDIT BANK A/S – a subsidiary of Nykredit Realkredit A/S
consolidated in the Nykredit Group's Financial Statements**

**H1 INTERIM REPORT – THE NYKREDIT BANK GROUP
1 JANUARY – 30 JUNE 2013**

- Rising core earnings after impairment losses and a return on equity of 8.0%
 - Value adjustment of derivatives and corporate bonds was a credit of DKK 56m against a charge of DKK 438m in H1/2012
 - The positive earnings impact amply offset a DKK 128m (7%) decline in income from business operations
 - Impairment losses fell DKK 82m to DKK 166m, corresponding to 0.1% of loans and advances, against 0.2% in H1/2012
 - Profit before tax amounted to DKK 577m, up DKK 275m on H1/2012
- Operating costs totalled DKK 982m, an increase of 7% on H1/2012
- Costs excluding impairment losses totalled 60.1% of core income from business operations against 50.5% in H1/2012
- The balance sheet stood at DKK 252bn compared with DKK 241bn at end-2012
- Profit before tax generated a return on equity of 8.0% pa against 4.2% pa for H1/2012

LIQUIDITY

- Excess cover relative to statutory liquidity requirements was 201.6% against 152.9% in H1/2012. The level is considered adequate in view of the Bank's liquidity risk and requirements
- The Bank's liquidity coverage ratio (LCR) came to 132% according to the future rules on the LCR
- The Nykredit Bank Group had a deposit surplus of DKK 13.0bn.

CAPITAL

- The total capital ratio and the Tier 1 capital ratio both came to 21.9%. The core Tier 1 capital ratio was 21.5%
- The internal capital adequacy requirement (ICAAP) was 11.0% against 10.2% at 30 June 2012
- Equity stood at DKK 14.7bn at 30 June 2013.

INFORMATION ABOUT THE NYKREDIT BANK GROUP

The H1 Interim Reports 2013 of the Nykredit Bank Group and the Nykredit Group and further information about Nykredit are available at nykredit.com.

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FINANCIAL HIGHLIGHTS – THE NYKREDIT BANK GROUP

| DKK million | H1/2013 | H1/2012 | FY 2012 |
|---|----------------|----------------|----------------|
| CORE EARNINGS AND RESULTS FOR THE PERIOD | | | |
| Core income from | | | |
| - business operations | 1,696 | 1,824 | 3,447 |
| - value adjustment of derivatives and corporate bonds | 56 | (438) | (1,067) |
| - securities | 18 | 46 | 61 |
| Total | 1,770 | 1,432 | 2,441 |
| Operating costs and depreciation of equipment | 982 | 918 | 1,824 |
| Payment to the Guarantee Fund for Depositors and Investors | 37 | 3 | 23 |
| Profit from investments in associates and group enterprises | 30 | - | - |
| Core earnings before impairment losses | 781 | 511 | 594 |
| Impairment losses on loans and advances and provisions for guarantees | 166 | 248 | 557 |
| Core earnings after impairment losses | 615 | 263 | 37 |
| Investment portfolio income | (38) | 39 | 30 |
| Profit before tax | 577 | 302 | 67 |
| Tax | 146 | 72 | (1) |
| Profit for the period | 431 | 230 | 68 |
| SUMMARY BALANCE SHEET, END OF PERIOD | | | |
| Assets | | | |
| Cash balance and receivables from central banks and credit institutions | 27,853 | 44,545 | 44,812 |
| Loans, advances and other receivables at fair value | 48,797 | 32,106 | 35,401 |
| Loans, advances and other receivables at amortised cost | 50,424 | 55,318 | 49,807 |
| Bonds at fair value and equities | 80,313 | 72,839 | 58,399 |
| Remaining asset items | 44,638 | 48,531 | 52,099 |
| Total assets | 252,025 | 253,339 | 240,518 |
| Liabilities and equity | | | |
| Payables to credit institutions and central banks | 61,393 | 66,191 | 55,355 |
| Deposits and other payables | 63,407 | 55,446 | 54,701 |
| Issued bonds at amortised cost | 26,754 | 27,385 | 28,498 |
| Other non-derivative financial liabilities at fair value | 43,258 | 39,656 | 33,741 |
| Remaining payables | 41,987 | 49,778 | 53,468 |
| Provisions | 275 | 201 | 235 |
| Subordinated debt | 250 | 250 | 250 |
| Equity | 14,701 | 14,432 | 14,270 |
| Total liabilities and equity | 252,025 | 253,339 | 240,518 |
| OFF-BALANCE SHEET ITEMS | | | |
| Contingent liabilities | 10,706 | 12,366 | 12,169 |
| Other commitments | 6,990 | 7,766 | 7,858 |
| FINANCIAL RATIOS | | | |
| Profit for the period as % of average equity, pa | 6.0 | 3.2 | 0.5 |
| Profit before tax for the period as % of average equity, pa | 8.0 | 4.2 | 0.5 |
| Core earnings before impairment losses as % of average equity, pa | 10.8 | 7.1 | 4.2 |
| Core earnings after impairment losses as % of average equity, pa | 8.5 | 3.7 | 0.3 |
| Costs excl impairment losses as % of core income from business operations | 60.1 | 50.5 | 53.6 |
| Provisions for loan impairment, DKKm | 3,999 | 4,304 | 4,057 |
| Impairment losses for the period, % | 0.1 | 0.2 | 0.5 |
| Total capital ratio, % | 21.9 | 19.8 | 21.3 |
| Tier 1 capital ratio, % | 21.9 | 19.8 | 21.3 |
| Core Tier 1 capital ratio, % | 21.5 | 19.5 | 21.0 |
| Average number of full-time staff | 858 | 850 | 850 |

THE NYKREDIT BANK GROUP

NYKREDIT BANK GROUP RESULTS

The Group reported a profit before tax of DKK 577m against DKK 302m in H1/2012.

The rise mainly resulted from a decline in expenses for value adjustment of interest rate swaps, which were a credit of DKK 56m against a charge of DKK 438m in H1/2012, improving profit by DKK 494m.

Core income from business operations, on the other hand, decreased by DKK 128m in H1/2013 compared with H1/2012. This development was characterised by reduced income from small and medium-sized enterprises (SMEs) and Nykredit Markets due to lower market activity. Overall, other business units generally recorded income on a level with H1/2012. However, compared with Q1/2013, Q2 income exceeded the previous three quarters.

Impairment losses for the period amounted to DKK 166m and remained at an acceptable level of 0.1% of loans and advances, which was below the H1 guidance. Compared with H1/2012, impairment losses decreased by DKK 82m.

Core income from business operations

Core income fell 7.0% from DKK 1,824m in H1/2012 to DKK 1,696m. Income from Retail declined by DKK 64m to DKK 946m, while Wholesale income fell back DKK 77m to 792m.

Group Items recorded core income growth of DKK 13m, improving from a loss of DKK 55m in H1/2012 to a loss of DKK 42m.

The Group's loans and advances at amortised cost came to DKK 50.4bn, which was largely on a level with end-2012, and deposits rose from DKK 54.7bn at end-2012 to DKK 63.4bn. The loan demand thus continued to be relatively subdued, while deposits generally rose on account of higher fixed-term deposits.

Value adjustment of derivatives and corporate bonds

In H1/2013, value adjustment was a credit of DKK 56m, of which derivatives accounted for DKK 50m.

The development in value adjustment of derivatives was mainly an effect of a marginal interest rate rise, reducing the underlying market values. Compared with H1/2012, when value adjustment resulted in a charge of DKK 454m, this was a positive impact of DKK 504m.

The item further included value adjustment of corporate bonds of DKK 6m against DKK 16m in H1/2012.

Core income from securities

Core income from securities dropped from DKK 46m in H1/2012 to DKK 18m in H1/2013. This development resulted from a change in the risk-free interest rate, which fell from an average 0.65% in H1/2012 to 0.25% in H1/2013. The risk-free interest rate equals the Danish central bank's lending rate.

Operating expenses, depreciation and amortisation

Staff and administrative expenses rose by DKK 67m (7%) to DKK 978m, of which payroll costs accounted for DKK 20m (5%), while other administrative expenses grew by DKK 47m (9%).

The 2013 payroll costs were affected by an adjustment of previous financial years' payroll tax of almost DKK 10m, whereas other administrative expenses rose approximately DKK 50m primarily as a result of higher costs related to the development of the Bank's IT platform.

The average number of full-time staff came to 858 compared with 850 for H1/2012 and the full year 2012.

The Danish Guarantee Fund for Depositors and Investors

The charge amounted to DKK 37m in H1/2013 compared with DKK 3m in H1/2012.

The charge in H1/2013 comprised an ordinary payment of about DKK 30m and a DKK 7m adjustment of the Bank's expenses relating to distressed banks.

The charge in H1/2012 related to a subsequent adjustment of expenses for distressed banks. No ordinary payments were made in 2012.

Investments in associates

H1 results were positively affected by DKK 30m stemming from a partial reversal of provisions for liabilities relating to Dansk Pantebrevsbørs A/S under konkurs (in bankruptcy). The reversal was due to the fact that the expenses incurred in relation to the winding-up of the company are expected to be lower than originally assumed in 2009 when the decision to wind up the company was made.

Impairment losses and provisions

Impairment losses and provisions dropped from DKK 248m in H1/2012 to DKK 166m in H1/2013, of which individual and collective impairment provisions accounted for a decline of DKK 26m and DKK 120m, respectively, whereas provisions for guarantees rose by DKK 64m.

The impairment charge for Wholesale increased by DKK 47m to DKK 59m, whereas Retail saw a decline of DKK 119m from DKK 237m to DKK 118m.

Impairment of Group Items was a credit of DKK 11m against a credit of DKK 1m in H1/2012.

Impairment losses for the period remained at an acceptable 0.1% of loans, advances and guarantees against 0.2% in H1/2012.

The Nykredit Bank Group Results before tax for 1 January – 30 June by business area

| DKK million | Retail | | Wholesale | | Group Items | | Total | |
|---|--------------|--------------|------------|------------|--------------|--------------|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Core income from: | | | | | | | | |
| customer activity, gross | 615 | 604 | 1,123 | 1,275 | (42) | (55) | 1,696 | 1,824 |
| payment for distribution | 331 | 406 | (331) | (406) | - | - | - | 0 |
| Core income from business operations | 946 | 1,010 | 792 | 869 | (42) | (55) | 1,696 | 1,824 |
| Value adjustment of derivatives and corporate bonds | 85 | (408) | (29) | (30) | - | - | 56 | (438) |
| Core income from securities | - | - | - | - | 18 | 46 | 18 | 46 |
| Total core income | 1,031 | 602 | 763 | 839 | (24) | (9) | 1,770 | 1,432 |
| Operating costs | 437 | 422 | 352 | 373 | 193 | 123 | 982 | 918 |
| Payment to the Guarantee Fund for Depositors and Investors | 23 | - | 5 | - | 9 | 3 | 37 | 3 |
| Profit from investments in associates and group enterprises | 30 | - | - | - | - | - | 30 | - |
| Core earnings before impairment losses | 601 | 180 | 406 | 466 | (226) | (135) | 781 | (511) |
| Impairment losses on loans and advances | 118 | 237 | 59 | 12 | (11) | (1) | 166 | 248 |
| Core earnings after impairment losses | 483 | (57) | 347 | 454 | (215) | (134) | 615 | 263 |
| Investment portfolio income | - | - | - | - | (38) | 39 | (38) | 39 |
| Profit (loss) before tax for the period | 483 | (57) | 347 | 454 | (253) | (95) | 577 | 302 |
| Costs excl impairment losses as % of core income from business operations | 48.6 | 41.8 | 45.1 | 42.9 | - | - | 60.1 | 50.5 |

Investment portfolio income

The investment portfolio produced a loss of DKK 38m in H1/2013 compared with a gain of DKK 39m in H1/2012.

Investment portfolio income is the excess income in addition to risk-free interest obtained from the portfolios not allocated to the business areas. Investment portfolio income also included commission to Nykredit Holding A/S for a loss guarantee provided to strengthen the Bank's total capital ratio and Tier 1 capital ratio.

Tax

Tax for the period has been estimated at DKK 146m, corresponding to 25.3% of profit before tax for the period.

In June 2013, the Danish parliament adopted a change to the company tax rate. The tax rate remains unchanged at 25% for 2013 and will then gradually decrease to 22% in 2017. Compared with the current tax rate of 25%, the effect on the Nykredit Bank Group's deferred tax payments has been estimated at DKK 2m. Profit for the period includes this change.

RESULTS FOR Q2/2013

Compared with both Q1/2013 and Q2/2012, the results recorded in Q2/2013 had improved substantially.

Profit before tax for Q2/2013 came to DKK 478m, up DKK 379m on Q1/2013.

This represented a DKK 328m increase on Q2/2012 when profit was DKK 150m.

The development in Q2 was characterised by lower impairment losses and a positive earnings impact from value adjustment of derivatives relative to Q1/2013 and Q2/2012.

Compared with Q1/2013, the improvement was largely due to a reduction in impairment losses, from a loss of DKK 217m in Q1/2013 to a credit of DKK 51m in Q2/2013. The difference of DKK 268m was primarily a result of a decline in individual impairment provisions.

Core income from business operations also grew. Income rose by DKK 96m to DKK 896m compared with Q1/2013. Furthermore, Q2/2013 also exceeded the levels recorded for Q3 and Q4/2012.

The greater part of the increase relative to Q1/2013 was attributable to Corporate & Institutional Banking (DKK 44m), Nykredit Markets (DKK 40m) and Treasury (DKK 36m). Conversely, Retail saw a decline of DKK 30m. This development generally reflected ordinary periodic fluctuations.

Special value adjustment of derivatives was a credit of DKK 41m, up DKK 26m on Q1/2013.

Costs rose by DKK 38m to DKK 510m, in part due to higher IT costs.

OUTLOOK FOR 2013

For the rest of 2013, the Bank expects to retain the level of core income from business operations and a cost level that is generally in line with H1/2013.

Overall, core earnings after impairment losses are still expected to exceed the 2012 level.

The development in loan impairment losses and value adjustment of interest rate swaps is difficult to predict, however, and will depend on a number of factors, including the development in the housing market and interest rate levels.

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY**Balance sheet**

The balance sheet stood at DKK 252.0bn compared with DKK 240.5bn at end-2012.

Balances with credit institutions and cash balances fell by DKK 17.0bn to DKK 27.9bn, while loans and advances at fair value (reverse lending) went up by DKK 13.4bn to DKK 48.8bn.

Loans and advances at amortised cost were DKK 50.4bn, which was almost unchanged from end-2012 when the item was DKK 49.8bn. This level continued to reflect relatively subdued loan demand within both Retail and Wholesale. Compared with end-2012, lending by Retail went down by about DKK 1.3bn, while Wholesale showed an increase of DKK 1.8bn.

**The Nykredit Bank Group
Lending and deposits**

| DKK million | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|--|---------------|---------------|---------------|
| Loans and advances | 99,221 | 85,208 | 87,424 |
| Retail | 25,869 | 27,185 | 27,783 |
| Personal | 14,125 | 14,342 | 14,736 |
| Commercial | 11,744 | 12,843 | 13,047 |
| Wholesale | 21,476 | 19,655 | 24,596 |
| Loans and advances at fair value (reverse lending) | 48,797 | 35,401 | 32,106 |
| Group Items and other lending | 3,079 | 2,967 | 2,939 |
| Deposits | 91,215 | 72,419 | 72,914 |
| Retail | 40,053 | 36,244 | 36,873 |
| Personal | 22,300 | 21,113 | 21,237 |
| Commercial | 17,753 | 15,131 | 15,636 |
| Wholesale | 21,655 | 16,285 | 15,539 |
| Deposits at fair value (repo) | 27,808 | 17,718 | 17,468 |
| Group Items and other deposits | 1,699 | 2,172 | 3,034 |

**The Nykredit Bank Group
Equity**

| DKK million | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|---------------------------------|---------------|---------------|---------------|
| Equity, beginning of period | 14,270 | 14,202 | 14,202 |
| Profit after tax for the period | 431 | 68 | 230 |
| Equity, end of period | 14,701 | 14,270 | 14,432 |

**The Nykredit Bank Group
Capital base and capital adequacy**

| DKK million | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|---|---------------|---------------|---------------|
| Share capital | 6,045 | 6,045 | 6,045 |
| Retained earnings | 8,656 | 8,225 | 8,387 |
| Core Tier 1 capital | 14,701 | 14,270 | 14,432 |
| Primary and other statutory deductions from core Tier 1 capital | 50 | 57 | 122 |
| Supplementary capital and hybrid capital | 250 | 250 | 250 |
| Capital base after statutory deductions | 14,901 | 14,463 | 14,560 |
| Weighted items | 68,198 | 68,019 | 73,381 |
| Total capital ratio, % | 21.9 | 21.3 | 19.8 |
| Tier 1 capital ratio, % | 21.9 | 21.3 | 19.8 |
| Core Tier 1 capital ratio, % | 21.5 | 21.0 | 19.5 |
| Internal capital adequacy requirement (ICAAP), % | 11.0 | 10.5 | 10.2 |

The bond portfolio expanded from DKK 58.0bn at end-2012 to DKK 80.0bn. The size and development of the portfolio reflected the Bank's repo activities and trading positions as well as the development in and placement of the Bank's liquidity, of which a substantial part is placed in high-rated government and covered bonds.

Other assets totalled DKK 43.5bn against DKK 50.9bn at end-2012. At 30 June 2013, DKK 34.0bn was attributable to positive market values of derivatives compared with DKK 43.9bn at end-2012. The positive market values related to the Bank's customer activities in derivatives and own positions for hedge accounting purposes. The interest rate risk has been widely hedged through offsetting interest rate swaps, and the market value should therefore be viewed in the context of "Other liabilities", which included negative market values in the amount of DKK 34.2bn.

The item "Other assets" also included interest and commission receivable.

Payables to credit institutions and central banks rose from DKK 55.4bn at end-2012 to DKK 61.4bn at 30 June 2013.

Deposits and other payables amounted to DKK 63.4bn, up DKK 8.7bn from DKK 54.7bn at end-2012. Retail deposits gained DKK 3.8bn and Wholesale DKK 5.4bn, partially an effect of higher fixed-term deposits.

Relative to lending at amortised cost, the Bank's deposit surplus was DKK 13.0bn.

Issued bonds fell from DKK 28.5bn at end-2012 to DKK 26.8bn at 30 June 2013, reflecting the Bank's general liquidity management.

Other non-derivative financial liabilities at fair value, which include deposits relating to repo transactions, came to DKK 43.3bn against DKK 33.7bn at end-2012.

Other liabilities totalled DKK 41.3bn against DKK 52.8bn at end-2012. The item mainly consisted of negative market values of financial instruments (DKK 34.2bn) as well as interest and commission payable.

Equity

Equity stood at DKK 14.7bn at 30 June 2013. Compared with 31 December 2012, equity had grown by DKK 0.4bn, which equalled profit after tax for the period. Equity was identical in Nykredit Bank A/S and the Nykredit Bank Group, as the same recognition and measurement principles are applied.

Capital base and capital adequacy

The capital base increased from end-2012 to DKK 14.9bn at 30 June 2013 after inclusion of profit for the period.

At 30 June 2013, the capital requirement totalled DKK 5.5bn against DKK 5.4bn at end-2012.

The total capital ratio was 21.9% compared with 21.3% at end-2012. The internal capital adequacy requirement (ICAAP) was 11.0% at 30 June 2013.

Nykredit Bank has a target of maintaining a Tier 1 capital ratio of at least 12%. At 30 June 2013, the ratio was 21.9% against 21.3% at end-2012. The core Tier 1 capital ratio was 21.5% at 30 June 2013.

To underpin the Bank's rating, Nykredit Holding has issued a loss guarantee for the part of the earnings impact of the Bank's impairment losses and provisions that exceeds 2% of loans, advances and guarantees in any financial year subject to a maximum of DKK 2.0bn for the term of the guarantee. The guarantee resulted in a reduction of risk-weighted assets of about DKK 15.9bn.

Weighted assets rose by DKK 0.2bn compared with end-2012. The development comprised a drop of DKK 2.3bn in items involving credit risk, a decline of DKK 0.4bn in items involving operational risk and an increase of DKK 2.9bn in items involving market risk.

Ratings

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

On 19 July 2013, Standard & Poor's affirmed Nykredit Bank A/S's and its Parent Company Nykredit Realkredit A/S's ratings of A+ (long-term unsecured ratings) and A-1 (short-term unsecured ratings), but at the same time Nykredit's rating has a negative outlook viewed over the next two years. The negative outlook is a consequence of Standard & Poor's changed assessment of the refinancing risk relating to adjustable-rate mortgages (ARMs) in the sector at large.

Nykredit Bank A/S's long-term unsecured rating of A and short-term unsecured rating of F1 with stable outlook assigned by Fitch remain unchanged.

Nykredit Bank A/S Ratings

| | Fitch | Standard & Poor's |
|---|-------|-------------------|
| Short-term ratings | F1 | A-1 |
| Long-term ratings | A | A+ |
| Standard & Poor's long-term rating: negative outlook. | | |

BUSINESS AREAS

BUSINESS AREAS

The Nykredit Bank Group's business areas are:

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

Gross income from customer business is generally allocated to the business areas which have supplied the individual products (including Nykredit Markets and Nykredit Asset Management).

Income which may be attributed to the sales activities of Retail and Corporate & Institutional Banking is subsequently reallocated in full. Correspondingly, Retail and Corporate & Institutional Banking incur a proportion of the capacity costs of Nykredit Markets and Nykredit Asset Management that may be attributed to the sales activities.

Retail

The business area comprises banking services for personal customers and SMEs.

Retail posted a profit before tax of DKK 483m compared with a loss of DKK 57m in H1/2012.

The positive development was mainly an effect of value adjustment of derivatives, which came to a credit of DKK 85m in H1/2013 against a charge of DKK 408m in H1/2012, equivalent to an improvement of DKK 493m. Impairment losses on loans and advances also decreased from DKK 237m in H1/2012 to DKK 118m.

Conversely, core income from business operations fell back by DKK 64m to a total of DKK 946m.

Wholesale: Income and income allocation to Retail

| DKK million | H1/2013 | H1/2012 |
|---|--------------|--------------|
| Customer activity, gross | | |
| Nykredit Markets | 412 | 604 |
| Nykredit Asset Management | 394 | 397 |
| Corporate & Institutional Banking | 317 | 274 |
| Total | 1,123 | 1,275 |
| Income allocated to customer areas | | |
| Nykredit Markets | (140) | (231) |
| Nykredit Asset Management | (232) | (219) |
| Corporate & Institutional Banking | 41 | 44 |
| Total allocation to Retail | (331) | (406) |
| Core income | | |
| Nykredit Markets | 272 | 373 |
| Nykredit Asset Management | 162 | 178 |
| Corporate & Institutional Banking | 358 | 318 |
| Total | 792 | 869 |

Operating costs rose by DKK 15m to DKK 437m, which was in line with expectations.

Impairment losses on loans and advances were DKK 118m in H1/2013 against DKK 237m in H1/2012. Compared with H1/2012, impairment losses on loans and advances to personal customers and SMEs dropped by DKK 66m and DKK 53m, respectively.

The charge in H1/2013 was chiefly attributable to individual impairment provisions for loans and advances to SMEs, whereas collective impairment provisions totalled a credit of DKK 58m.

Impairment losses were 0.3% of loans and advances against 0.6% in H1/2012.

Costs (excluding impairment losses) as a percentage of core income from business operations totalled 48.6% against 41.8% in H1/2012.

The subsidiary Nykredit Leasing contributed a profit before tax of DKK 15.2m to the business area's results against DKK 5.8m in H1/2012.

Lending and deposits

The business area's lending dropped by DKK 1.3bn to DKK 25.9bn, while deposits went up by DKK 3.8bn from DKK 36.2bn at end-2012 to DKK 40.0bn.

The level in H1/2013 was still affected by a property market generating only low banking activity and generally modest demand for finance.

Wholesale

Wholesale comprises banking activities with the Bank's corporate and institutional clients, including non-profit housing customers, Nykredit Markets and Nykredit Asset Management activities and Other activities, which includes a special loan portfolio of terminated exposures.

The business area posted a profit of DKK 347m in H1/2013. This was a DKK 107m decline on H1/2012 when profit was DKK 454m.

Gross income

The area's gross income totalled DKK 1,123m against DKK 1,275m in H1/2012.

Of this amount, gross income from Nykredit Markets was DKK 412m, down DKK 192m on H1/2012, while income from Nykredit Asset Management was on a level with H1/2012 at DKK 394m.

Corporate & Institutional Banking recorded a DKK 43m upturn in gross income from customer activities, which totalled DKK 317m. However, this development should be viewed in light of the business unit's DKK 53m capital loss on equities relating to terminated exposures.

Earnings in Nykredit Markets's business area, which includes trading with institutional clients, were negatively affected by the waning activity levels in financial markets, which have been characterised by high volatility, customer uncertainty and increasing interest rates. The announcement in early summer by the US Federal Reserve of the

potential upcoming reductions in monthly bond purchases affected financial markets and amplified the negative trends in activity levels. In H1/2013, Nykredit Markets increased its market share, but because of generally subdued activity levels, including a 25% drop in the bond volumes traded on NASDAQ OMX Copenhagen compared with the same period last year, income decreased relative to H1/2012.

Gross income in Nykredit Asset Management was marginally lower than in the same period in 2012. Assets under management amounted to DKK 113.1bn, corresponding to a rise of DKK 9.4bn relative to end-2012. Assets under administration totalled DKK 550.0bn against DKK 513.7bn at end-2012.

Core earnings

The business area's core income from business operations amounted to DKK 792m in H1/2013, down DKK 77m on H1/2012. This was mainly a result of the lower activity levels in financial markets, which affected Nykredit Markets's earnings.

In H1/2013, value adjustment of derivatives and corporate bonds resulted in a charge of DKK 29m, which was unchanged on H1/2012. The negative development in H1/2013 was partly attributable to a few exposures in the property sector.

Operating costs landed at DKK 352m, down DKK 21m on H1/2012.

Impairment losses on loans and advances came to DKK 59m against DKK 12m in H1/2012. The charge in 2013 derived from a DKK 13m reversal of impairment losses on the portfolio of terminated exposures, while other impairment losses came to DKK 72m.

Impairment losses were unchanged at 0.2% of loans and advances.

Costs (excluding impairment losses) as a percentage of core income from business operations totalled 45.1% against 42.9% in H1/2012.

The subsidiary Nykredit Portefølje Administration reported a profit before tax of DKK 41m against DKK 46m in H1/2012.

Lending and deposits

Lending increased from DKK 19.7bn at end-2012 to DKK 21.5bn at 30 June 2013. This included the portfolio of terminated exposures of DKK 1.5bn against DKK 1.6bn at end-2012.

Deposits came to DKK 21.7bn against DKK 16.3bn at end-2012.

Group Items

Group Items includes the results of the Bank's Treasury area, core earnings and investment portfolio income from securities as well as other income and expenses not allocated to the business areas. Significant unallocated expenses include costs for IT development and adjustment of payments to the Guarantee Fund for Depositors and Investors relating to distressed banks.

Results were a loss of DKK 253m against a loss of DKK 95m in H1/2012.

The decline was chiefly prompted by core earnings and investment portfolio income from securities which came to a loss of DKK 20m compared with a profit of DKK 85m in H1/2012.

Treasury posted a roughly unchanged loss of about DKK 75m in H1/2013, of which impairment losses accounted for a net income of DKK 11m.

Unallocated expenses were DKK 165m against DKK 102m in H1/2012. In H1/2013, the item included expenses of DKK 9m for the Guarantee Fund for Depositors and Investors and DKK 156m for IT development. In H1/2012, unallocated IT development costs came to DKK 105m, while the payment to the Guarantee Fund for Depositors and Investors amounted to DKK 3m.

IMPAIRMENT LOSSES, LOANS AND ADVANCES

Earnings impact for the period

Impairment losses dropped from DKK 248m in H1/2012 to DKK 166m in H1/2013.

The impairment charge for Retail declined by DKK 119m to DKK 118m. Of this reduction, DKK 66m derived from personal customers and DKK 53m from SMEs.

Wholesale impairments grew by DKK 47m to DKK 59m. The business unit Other activities produced an income of DKK 13m in H1/2013 compared with an income of DKK 20m in H1/2012. The impairment charge for Corporate & Institutional Banking and Nykredit Markets increased by DKK 40m to DKK 72m.

Of the total charge of DKK 166m, a net amount of DKK 246m related to individual impairment provisions, while collective impairment provi-

sions came to a credit of DKK 112m. Provisions for guarantees were a charge of DKK 32m.

The charge as a percentage of total loans, advances and guarantees amounted to 0.1% against 0.2% for H1/2012 and 0.5% for the full year 2012. The charge for SMEs was 0.7%, whereas the ratio was close to zero for the other business areas.

Provisions at 30 June 2013

Total impairment provisions declined marginally from DKK 4,057m at end-2012 to DKK 4,018m at 30 June 2013. Individual impairment provisions increased by DKK 73m, whereas collective impairment provisions fell DKK 112m.

The DKK 39m decline was a result of impairment losses of DKK 157m recognised as lost and new impairment provisions for the period

Provisions – the Nykredit Bank Group

| DKK million | Retail | | Wholesale | | Group Items | | Total | |
|--|--------------|--------------|--------------|--------------|-------------|------------|--------------|--------------|
| | H1/2013 | H1/2012 | H1/2013 | H1/2012 | H1/2013 | H1/2012 | H1/2013 | H1/2012 |
| Impairment provisions, beginning of year | 2,141 | 2,114 | 1,810 | 2,089 | 106 | 91 | 4,057 | 4,294 |
| Impairment provisions and reversals for the period | 7 | (15) | (35) | 24 | (11) | 1 | (39) | 10 |
| Impairment provisions, end of period | 2,148 | 2,099 | 1,775 | 2,113 | 95 | 92 | 4,018 | 4,304 |
| Of which individual | 2,066 | 1,934 | 1,733 | 1,963 | 76 | 91 | 3,875 | 3,988 |
| Of which individual, banks | - | - | - | - | 19 | - | 19 | - |
| Of which collective | 82 | 165 | 42 | 150 | 0 | 1 | 124 | 316 |
| Provisions for guarantees | | | | | | | | |
| Provisions, beginning of period | 74 | 62 | 8 | 52 | 0 | 0 | 82 | 114 |
| Provisions, end of period | 51 | 73 | 63 | 8 | 0 | 0 | 114 | 81 |
| Total provisions, end of period | 2,199 | 2,172 | 1,838 | 2,121 | 95 | 92 | 4,132 | 4,385 |
| Earnings impact | | | | | | | | |
| New impairment provisions and losses for the period, net | 146 | 228 | 14 | 59 | (11) | 1 | 149 | 288 |
| Received on loans and advances previously provided for | 6 | 2 | 9 | 4 | 0 | 2 | 15 | 8 |
| Total | 140 | 226 | 5 | 55 | (11) | (1) | 134 | 280 |
| Provisions for guarantees | (22) | 11 | 54 | (43) | 0 | 0 | 32 | (32) |
| Total earnings impact | 118 | 237 | 59 | 12 | (11) | (1) | 166 | 248 |

Loans, advances and guarantees by sector at 30 June 2013 and 31 December 2012

| DKK million | Loans, advances and guarantees | | Provisions | |
|--|--------------------------------|---------------|--------------|--------------|
| | 30.06.2013 | 31.12.2012 | 30.06.2013 | 31.12.2012 |
| Public sector | 446 | 513 | 0 | 4 |
| Agriculture, hunting, forestry and fishing | 1,896 | 1,957 | 172 | 167 |
| Manufacturing, mining and quarrying | 7,241 | 6,377 | 185 | 155 |
| Energy supply | 1,246 | 523 | 6 | 9 |
| Construction | 1,815 | 1,816 | 291 | 279 |
| Trade | 2,242 | 2,217 | 231 | 237 |
| Transport, accommodation and food service activities | 2,849 | 2,135 | 125 | 101 |
| Information and communication | 757 | 879 | 69 | 73 |
| Finance and insurance | 53,105 | 39,703 | 658 | 742 |
| Real estate | 11,436 | 13,136 | 1,391 | 1,367 |
| Other | 7,688 | 8,109 | 419 | 397 |
| Total commercial customers | 90,275 | 76,852 | 3,547 | 3,527 |
| Personal customers | 19,206 | 20,012 | 566 | 608 |
| Total | 109,927 | 97,377 | 4,113 | 4,139 |
| Total, incl impairment provisions for banks | - | - | 4,132 | 4,139 |

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

amounting to DKK 118m net.

Impairment provisions for Retail went up from DKK 2,141m at end-2012 to DKK 2,148m due to a reduction of DKK 35m in provisions for personal customers and a rise of DKK 42m in provisions for SMEs.

Impairment provisions for Wholesale declined from DKK 1,810m at end-2012 to DKK 1,775m, reflecting a DKK 87m reduction in provisions for the portfolio of terminated exposures from DKK 1,220m to DKK 1,133m. Other business units saw a rise from DKK 590m at end-2012 to DKK 642m.

At 30 June 2013, terminated exposures totalled DKK 1.5bn against DKK 1.6bn at end-2012 (carrying amounts).

Total provisions for guarantees went up from DKK 82m at end-2012 to DKK 114m at 30 June 2013. The increase was primarily attributable to Other activities under Wholesale and related to higher provisions for a small number of terminated exposures.

Relative to total loans, advances and guarantees, provisions were 3.6% against 4.1% at end-2012. Excluding guarantees, the percentage was 3.9% against 4.5% at end-2012.

Loans, advances and guarantees by sector

Loans, advances and guarantees amounted to DKK 109.9bn at 30 June 2013 against DKK 97.4bn at end-2012. The increase of DKK 12.6bn primarily stemmed from higher reverse lending, which grew by DKK 13.4bn to DKK 48.8bn.

Finance and insurance still accounted for the largest single sectoral exposure of DKK 53.1bn against DKK 39.7bn at end-2012. The exposure widely comprises reverse lending with bonds serving as collateral.

The sectoral distribution generally showed no significant changes compared with the previous periods.

Finance and insurance accounted for 48.3% (end-2012: 40.8%), the real estate sector 10.4% (end-2012: 13.5%) and personal customers 17.5% (end-2012: 20.6%).

The Bank's lending growth was 1.2%, excluding reverse lending, determined pursuant to the rules of the Danish Financial Supervisory Authority (FSA), including rules relating to the FSA Supervisory Diamond model. The Danish FSA's lending limit value indicates that growth of 20% or more may imply increased risk-taking.

Inclusive of reverse lending, the Bank's lending increased by 16.4% relative to end-2012.

Lending to the real estate and construction sectors landed at approximately DKK 13.3bn against DKK 15.0bn at end-2012. Of total lending at 30 June 2013, DKK 10.0bn derived from the category "Renting of real estate" (end-2012: DKK 11.6bn). At 30 June 2013, impairment provisions for lending to the real estate sector totalled DKK 1.7bn or 11.3% of total loans and advances compared with DKK 1.6bn or 9.9% at end-2012.

Determined pursuant to the Supervisory Diamond, the Bank's property exposure was 11.5% (end-2012: 14.6%). In Management's opinion, this exposure is at a satisfactory level.

The FSA Supervisory Diamond for banks

In H1/2013 Nykredit Bank's Supervisory Diamond ratios remained below the limit values prescribed.

FSA Supervisory Diamond for banks (Parent Company level)

| DKK million | H1/2013 | FY 2012 |
|--|---------|---------|
| Lending growth (limit value <20%)* | 1.2 | (10.7) |
| Large exposures (limit value <125%) | 12.5 | 0.0 |
| Property exposure (limit value <25%) | 11.5 | 14.6 |
| Funding ratio (limit value <1.0%) | 0.6 | 0.6 |
| Excess liquidity cover (limit value 50%) | 201.8 | 183.1 |

* Determined exclusive of reverse lending

LIQUIDITY AND FINANCIAL RISK

Nykredit Bank A/S

Liquidity as % of debt and guarantee obligations



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

Liquidity

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

Nykredit Bank monitors its balance sheet and liquidity on a day-to-day basis as part of its liquidity risk management. The management of the Bank's structural liquidity risk is based on an internal model relating to the liquidity of assets and liabilities.

Securities on the trading book not serving as collateral constitute a short-term liquidity buffer that may be applied in the case of unforeseen drains on the Bank's liquidity. These securities consist mainly of liquid Danish and European government and covered bonds eligible as collateral with the Danish central bank or other European central banks.

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

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

At 30 June 2013, the excess cover was 202% against 153% at end-H1/2012, corresponding to a liquidity buffer of DKK 51.3bn compared with DKK 39.4bn at 30 June 2012. In H1/2013, the liquidity buffer averaged DKK 41.3bn compared with DKK 34.3bn in H1/2012.

The Bank's long-term funding activities progressed according to plan, with EMTN issues totalling DKK 16.1bn at 30 June 2013, of which issuance in H1/2013 amounted to DKK 1.3bn.

Further, the Bank continued refinancing short-term ECP issues, which totalled DKK 12.4bn at 30 June 2013.

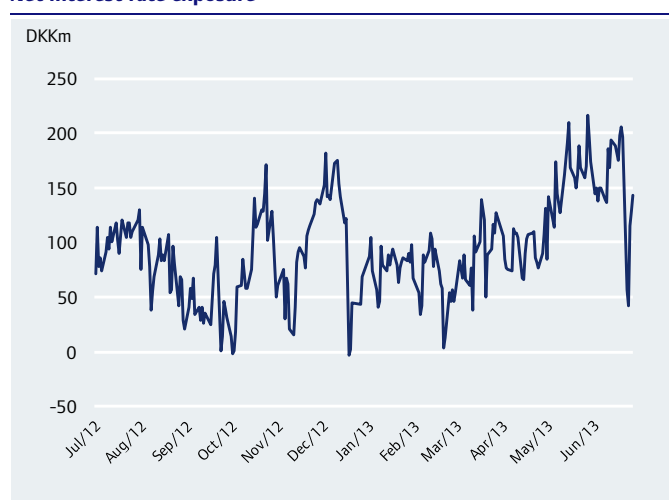
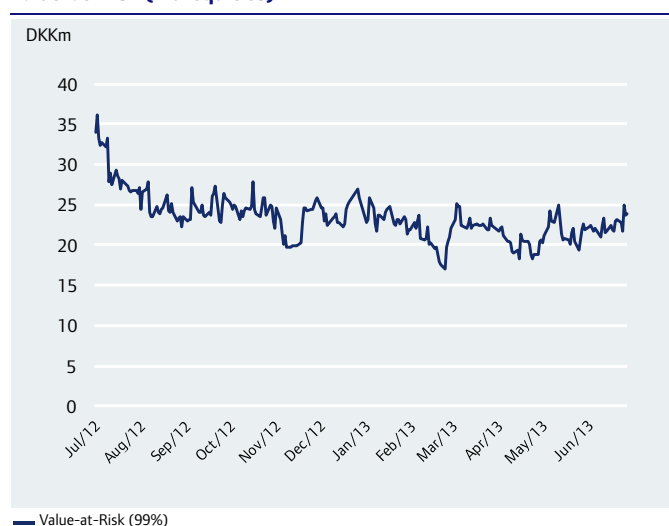
The aggregate bond amount issued under the ECP and EMTN programmes was DKK 28.5bn at 30 June 2013 against DKK 29.7bn at end-2012.

Total run-off under Nykredit Bank's EMTN programme in 2013 will be DKK 8bn. Refinancing takes place regularly and commenced already in the autumn of 2012. As regards short-term ECP issues, Nykredit Bank expects to maintain an outstanding amount at the current level.

The Danish central bank introduced new liquidity measures for banks in 2011 by expanding the collateral base to include credit claims of good quality. However, the Bank has no plans to make use of the facility given the Bank's liquidity position.

The Nykredit Bank Group**Risk key figures**

| DKK million | H1/2013 | H1/2012 | 2012 |
|----------------------------------|---------|---------|------|
| Value-at-Risk | | | |
| End of period | 24 | 32 | 26 |
| Average | 22 | 29 | 27 |
| Interest rate risk | | | |
| End of period | 144 | 85 | 68 |
| Foreign exchange position | | | |
| EUR | (144) | 322 | 74 |
| Excl EUR and DKK | 16 | 19 | 16 |

Nykredit Bank A/S**Net interest rate exposure****Nykredit Bank A/S****Value-at-Risk (incl equities)**

— Value-at-Risk (99%)

LIQUIDITY COVERAGE RATIO

Nykredit will be subject to the new international regulatory framework regarding the liquidity coverage ratio (LCR) in early 2015. It is Nykredit's expectation that its covered bonds (SDOs and ROs) will be eligible for inclusion in the stock of liquid assets. Nykredit expects to replace its portfolio of self-issued bonds by other bonds in connection with the implementation of the rules, which is not considered to give rise to any problems.

Under these assumptions, the LCR of Nykredit Bank was 132% at 30 June 2013. Nykredit Bank thus expects to fulfil the forthcoming LCR requirements well ahead of schedule regardless of the final implementation.

On the back of its expected SIFI status, Nykredit anticipates that the LCR requirement will be at least 100% as from 1 January 2015.

Financial risk

Value-at-Risk (VaR) came to DKK 24m at 30 June 2013 against DKK 32m at 30 June 2012. VaR averaged DKK 22m in H1/2013 against DKK 29m in H1/2012 and DKK 27m for 2012 as a whole.

The decline was notably due to lower market interest rate volatilities.

Stressed VaR was DKK 60m at end-June 2013 (end-2012: DKK 62m) and averaged DKK 56m in H1/2013.

The interest rate exposure was DKK 144m against DKK 85m at 30 June 2012 and DKK 68m at end-2012.

The Bank's foreign exchange position in EUR was negative at DKK 144m at 30 June 2013 against a positive amount of DKK 322m at 30 June 2012. Its foreign exchange position in currencies other than EUR and DKK was positive at DKK 16m at 30 June 2013 against a positive amount of DKK 19m at 30 June 2012.

EVENTS OCCURRED AFTER 30 JUNE 2013

No significant events have occurred in the period up to the presentation of the H1 Interim Report 2013.

UNCERTAINTY AS TO RECOGNITION AND MEASUREMENT

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

The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment, unlisted financial instruments and other provisions, see the Annual Report 2012.

Uncertainty as to recognition and measurement is described in detail in the Bank's accounting policies (note 1 of the Annual Report 2012), to which reference is made.

MANAGEMENT STATEMENT

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 1 January – 30 June 2013 of Nykredit Bank A/S and the Nykredit Bank Group.

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

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

We are of the opinion that the Interim Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2013 and of the results of the Group's and the Parent Company's operations as well as the Group's cash flows for the financial period 1 January – 30 June 2013.

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

The Interim Report has not been audited or reviewed.

Copenhagen, 20 August 2013

Executive Board

Bjørn Mortensen

Georg Andersen

Lars Bo Bertram

Board of Directors

Karsten Knudsen, Chairman

Søren Holm, Deputy Chairman

Henrik K. Asmussen, staff-elected

Olav Brusén Barsøe, staff-elected

Kim Duus

Allan Kristiansen, staff-elected

Per Ladegaard

Bente Overgaard

Income statements for 1 January – 30 June

DKK million

| Nykredit Bank A/S | | | | The Nykredit Bank Group | |
|---|--------------|---|------|-------------------------|--------------|
| H1/2012 | H1/2013 | | note | H1/2013 | H1/2012 |
| 1,997 | 1,674 | Interest income | 5 | 1,717 | 2,036 |
| 883 | 544 | Interest expenses | 6 | 544 | 874 |
| 1,114 | 1,130 | NET INTEREST INCOME | | 1,173 | 1,162 |
| 3 | 18 | Dividend on equities | | 18 | 3 |
| 583 | 598 | Fee and commission income | | 711 | 670 |
| 356 | 342 | Fee and commission expenses | | 342 | 362 |
| 1,344 | 1,404 | NET INTEREST AND FEE INCOME | | 1,560 | 1,473 |
| (15) | 158 | Value adjustments | 7 | 156 | (16) |
| 1 | 0 | Other operating income | | 16 | 14 |
| 842 | 881 | Staff and administrative expenses | 8 | 978 | 911 |
| 3 | 4 | Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets | | 4 | 3 |
| 3 | 34 | Other operating expenses | | 37 | 7 |
| 234 | 153 | Impairment losses on loans, advances and receivables | 9 | 166 | 248 |
| 41 | 75 | Profit from investments in associates and group enterprises | 10 | 30 | - |
| 289 | 565 | PROFIT BEFORE TAX | | 577 | 302 |
| 59 | 134 | Tax | 11 | 146 | 72 |
| 230 | 431 | PROFIT FOR THE PERIOD | | 431 | 230 |
| STATEMENTS OF COMPREHENSIVE INCOME | | | | | |
| 230 | 431 | PROFIT FOR THE PERIOD | | 431 | 230 |
| - | - | Other additions and disposals | | - | - |
| - | - | OTHER COMPREHENSIVE INCOME | | - | - |
| 230 | 431 | COMPREHENSIVE INCOME FOR THE PERIOD | | 431 | 230 |

Balance sheets, end of period

DKK million

| Nykredit Bank A/S | | | | The Nykredit Bank Group | |
|-------------------|----------------|---|------|-------------------------|----------------|
| 31.12.2012 | 30.06.2013 | | note | 30.06.2013 | 31.12.2012 |
| ASSETS | | | | | |
| 7,032 | 1,147 | Cash balance and demand deposits with central banks | | 1,147 | 7,032 |
| 37,780 | 26,706 | Receivables from credit institutions and central banks | 12 | 26,706 | 37,780 |
| 35,401 | 48,797 | Loans, advances and other receivables at fair value | 13 | 48,797 | 35,401 |
| 49,659 | 50,236 | Loans, advances and other receivables at amortised cost | 14 | 50,424 | 49,807 |
| 57,827 | 79,796 | Bonds at fair value | 15 | 79,997 | 58,023 |
| 375 | 316 | Equities | 16 | 316 | 376 |
| 435 | 480 | Investments in group enterprises | | - | - |
| 23 | 23 | Intangible assets | | 23 | 23 |
| 29 | 25 | Other property, plant and equipment | | 25 | 29 |
| 193 | 100 | Current tax assets | | 106 | 212 |
| 44 | 7 | Deferred tax assets | | 0 | 0 |
| 49 | 71 | Assets in temporary possession | 17 | 926 | 904 |
| 50,871 | 43,432 | Other assets | 18 | 43,477 | 50,918 |
| 8 | 76 | Prepayments | | 81 | 13 |
| 239,726 | 251,212 | TOTAL ASSETS | | 252,025 | 240,518 |

Balance sheets, end of period

DKK million

| Nykredit Bank A/S | | | | The Nykredit Bank Group | |
|--------------------------------|----------------|---|------|-------------------------|----------------|
| 31.12.2012 | 30.06.2013 | | note | 30.06.2013 | 31.12.2012 |
| LIABILITIES AND EQUITY | | | | | |
| 55,355 | 61,393 | Payables to credit institutions and central banks | 19 | 61,393 | 55,355 |
| 54,756 | 63,502 | Deposits and other payables | 20 | 63,407 | 54,701 |
| 28,498 | 26,754 | Issued bonds at amortised cost | 21 | 26,754 | 28,498 |
| 33,741 | 43,258 | Other non-derivative financial liabilities at fair value | 22 | 43,258 | 33,741 |
| 0 | 29 | Liabilities temporarily assumed | | 688 | 659 |
| 52,649 | 41,113 | Other liabilities | 23 | 41,296 | 52,805 |
| 1 | 1 | Deferred income | | 3 | 4 |
| 225,000 | 236,050 | TOTAL PAYABLES | | 236,799 | 225,763 |
| Provisions | | | | | |
| - | - | Provisions for deferred tax | | 64 | 29 |
| 82 | 114 | Provisions for losses under guarantees | 24 | 114 | 82 |
| 124 | 97 | Other provisions | 24 | 97 | 124 |
| 206 | 211 | TOTAL PROVISIONS | | 275 | 235 |
| 250 | 250 | Subordinated debt | 25 | 250 | 250 |
| Equity | | | | | |
| 6,045 | 6,045 | Share capital | | 6,045 | 6,045 |
| Other reserves | | | | | |
| 151 | 151 | Statutory reserves | | - | - |
| 8,074 | 8,505 | Retained earnings | | 8,656 | 8,225 |
| 14,270 | 14,701 | TOTAL EQUITY | | 14,701 | 14,270 |
| 239,726 | 251,212 | TOTAL LIABILITIES AND EQUITY | | 252,025 | 240,518 |
| OFF-BALANCE SHEET ITEMS | | | | | |
| 12,171 | 10,706 | Contingent liabilities | 26 | 10,706 | 12,169 |
| 7,501 | 6,762 | Other commitments | 27 | 6,990 | 7,858 |
| | | Accounting policies | 1 | | |
| | | Capital adequacy and Tier 1 capital | 2 | | |
| | | Core earnings and investment portfolio income | 3 | | |
| | | Business areas | 4 | | |
| | | Related party transactions and balances | 28 | | |
| | | Loans, advances, guarantees and provisioning rate | 29 | | |
| | | Financial assets and liabilities at fair value (the IFRS hierarchy) | 30 | | |
| | | Foreign exchange and interest rate exposures | 31 | | |
| | | Hedging interest rate risk | 32 | | |
| | | Group structure | 33 | | |
| | | The Nykredit Bank Group – six quarters | 34 | | |
| | | The Nykredit Bank Group – financial highlights | 35 | | |
| | | Nykredit Bank A/S – financial highlights | 36 | | |

Statement of changes in equity

DKK million

The Nykredit Bank Group

| | Share capital | Retained earnings | Total |
|-----------------------------------|---------------|-------------------|---------------|
| EQUITY, 30 JUNE 2013 | | | |
| End of previous financial year | 6,045 | 8,225 | 14,270 |
| Total | 6,045 | 8,225 | 14,270 |
| Comprehensive income | | | |
| Profit for the period | | 431 | 431 |
| Total comprehensive income | - | 431 | 431 |
| Total changes in equity | - | 431 | 431 |
| Equity, 30 June 2013 | 6,045 | 8,656 | 14,701 |
| EQUITY, 30 JUNE 2012 | | | |
| End of previous financial year | 6,045 | 8,157 | 14,202 |
| Total | 6,045 | 8,157 | 14,202 |
| Comprehensive income | | | |
| Profit for the period | - | 230 | 230 |
| Total comprehensive income | - | 230 | 230 |
| Total changes in equity | - | 230 | 230 |
| Equity, 30 June 2012 | 6,045 | 8,387 | 14,432 |

Statement of changes in equity

DKK million

Nykredit Bank A/S

| | Share capital | Statutory reserves | Retained earnings | Total |
|-----------------------------------|---------------|--------------------|-------------------|---------------|
| EQUITY, 30 JUNE 2013 | | | | |
| End of previous financial year | 6,045 | 151 | 8,074 | 14,270 |
| Total | 6,045 | 151 | 8,074 | 14,270 |
| Comprehensive income | | | | |
| Profit for the period | | | 431 | 431 |
| Total comprehensive income | - | - | 431 | 431 |
| Total changes in equity | - | - | 431 | 431 |
| Equity, 30 June 2013 | 6,045 | 151 | 8,505 | 14,701 |
| EQUITY, 30 JUNE 2012 | | | | |
| End of previous financial year | 6,045 | 70 | 8,087 | 14,202 |
| Total | 6,045 | 70 | 8,087 | 14,202 |
| Comprehensive income | | | | |
| Profit for the period | | | 230 | 230 |
| Total comprehensive income | - | - | 230 | 230 |
| Total changes in equity | - | - | 230 | 230 |
| Equity, 30 June 2012 | 6,045 | 70 | 8,317 | 14,432 |

The share capital breaks down into 18 shares in multiples of DKK 1m. The share capital is wholly owned by Nykredit Realkredit A/S, Copenhagen, Denmark. Nykredit Bank is included in the consolidated financial statements of this company and the consolidated financial statements of Foreningen Nykredit, Kalvebod Brygge 1-3, Copenhagen, Denmark, which owns 89.80% of Nykredit Realkredit A/S. The published financial statements [in Danish] of Foreningen Nykredit may be obtained from the company.

Cash flow statement for 1 January – 30 June

DKK million

| | The Nykredit Bank Group | |
|--|-------------------------|----------------|
| | H1/2013 | H1/2012 |
| Profit after tax for the period | 431 | 230 |
| Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions | | |
| Depreciation and impairment losses for property, plant and equipment | 4 | 3 |
| Other non-cash changes | (1) | 48 |
| Impairment losses on loans, advances and receivables | 181 | 256 |
| Tax calculated on profit for the period | 146 | 72 |
| Total | 330 | 379 |
| Profit for the period adjusted for non-cash operating items | 761 | 609 |
| Change in working capital | | |
| Loans, advances and other receivables | (14,438) | (9,772) |
| Deposits and other payables | 8,823 | (2,135) |
| Payables to credit institutions and central banks | 6,069 | 3,074 |
| Bonds at fair value | (22,130) | (11,631) |
| Equities | 37 | 75 |
| Other working capital | 5,357 | 13,087 |
| Total | (16,282) | (7,302) |
| Corporation tax paid, net | (3) | 0 |
| Cash flows from operating activities | (15,524) | (6,693) |
| Cash flows from investing activities | | |
| Property, plant and equipment | 23 | (8) |
| Total | 23 | (8) |
| Cash flows from financing activities | | |
| Issued bonds | (1,577) | 955 |
| Total | (1,577) | 955 |
| Total cash flows | (17,078) | (5,746) |
| Cash and cash equivalents, beginning of period | 44,812 | 50,244 |
| Foreign currency translation adjustment of cash | 119 | 47 |
| Cash and cash equivalents, end of period | 27,853 | 44,545 |
| Cash and cash equivalents, end of period | | |
| Specification of cash and cash equivalents, end of period: | | |
| Cash balance and demand deposits with central banks | 1,147 | 473 |
| Receivables from credit institutions and central banks | 26,706 | 44,072 |
| Cash and cash equivalents, end of period | 27,853 | 44,545 |

Notes

1. ACCOUNTING POLICIES

GENERAL

The Consolidated Financial Statements for H1/2013 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS but a less detailed presentation relative to the presentation of annual reports.

The interim financial statements of the Parent Company have been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. issued by the Danish Financial Supervisory Authority.

New and amended standards and interpretations

Reporting standards and interpretations in force as at 1 January 2013 have been implemented with no effect on profit, comprehensive income, balance sheets or equity for the period.

The implementation of IFRS 13 "Fair value measurement" has resulted in additional disclosure requirements for the interim report, cf note 30.

Compared with the information disclosed in the accounting policies of the Annual Report for 2012 (note 1), no new reporting standards or interpretations have been issued or approved which influence the H1 Interim Report 2013 of Nykredit Bank A/S and the Nykredit Bank Group.

The IASB is still working on a project which, in time, will replace the IAS 39 rules. The revised standard – IFRS 9 – is divided into three main phases comprising classification and measurement of financial assets and liabilities, impairments and hedge accounting.

The EU has opted not to adopt IFRS 9 until the results of all three phases are available. The new standard is expected to be implemented in January 2015. The impact of the implementation of IFRS 9 on the Consolidated Financial Statements has not been analysed, as the standard is not currently available in a form that allows an overall assessment of the effect.

In all other respects, the accounting policies are unchanged compared with the Annual Report for 2012. For a full description of the Group's and the Parent Company's accounting policies, please refer to note 1 of the Annual Report for 2012, which is available at nykredit.com.

All figures in the H1 Interim Report are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

Notes

DKK million

| | 30.06.2013 | 31.12.2012 | 30.06.2012 |
|---|---------------|---------------|---------------|
| 2. CAPITAL ADEQUACY AND TIER 1 CAPITAL | | | |
| Nykredit Bank A/S | | | |
| Share capital | 6,045 | 6,045 | 6,045 |
| Reserves | 151 | 151 | 70 |
| Retained earnings | 8,505 | 8,074 | 8,317 |
| Total core Tier 1 capital | 14,701 | 14,270 | 14,432 |
| Hybrid capital | 250 | 250 | 250 |
| Primary and other statutory deductions from Tier 1 capital | 68 | 112 | 185 |
| Tier 1 capital after statutory deductions | 14,883 | 14,408 | 14,497 |
| Capital base after statutory deductions | 14,883 | 14,408 | 14,497 |
| Weighted items involving credit, counterparty and delivery risk | 46,822 | 48,885 | 54,388 |
| Weighted items involving market risk | 15,683 | 12,804 | 13,632 |
| Weighted items involving operational risk | 5,483 | 5,927 | 5,927 |
| Total weighted items | 67,988 | 67,616 | 73,947 |
| Total capital ratio, % | 21.9 | 21.3 | 19.6 |
| Tier 1 capital ratio, % | 21.9 | 21.3 | 19.6 |
| The Nykredit Bank Group | | | |
| Share capital | 6,045 | 6,045 | 6,045 |
| Retained earnings | 8,656 | 8,225 | 8,387 |
| Total core Tier 1 capital | 14,701 | 14,270 | 14,432 |
| Hybrid capital | 250 | 250 | 250 |
| Primary and other statutory deductions from Tier 1 capital | 49 | 57 | 122 |
| Tier 1 capital after statutory deductions | 14,902 | 14,463 | 14,560 |
| Capital base after statutory deductions | 14,902 | 14,463 | 14,560 |
| Weighted items involving credit, counterparty and delivery risk | 46,578 | 48,926 | 53,460 |
| Weighted items involving market risk | 15,683 | 12,804 | 13,632 |
| Weighted items involving operational risk | 5,937 | 6,289 | 6,289 |
| Total weighted items | 68,198 | 68,019 | 73,381 |
| Total capital ratio, % | 21.9 | 21.3 | 19.8 |
| Tier 1 capital ratio, % | 21.9 | 21.3 | 19.8 |

Notes

DKK million

The Nykredit Bank Group

H1/2013

H1/2012

3. CORE EARNINGS AND INVESTMENT PORTFOLIO INCOME

| 1 January – 30 June | Core earnings | Investment portfolio income | Total | Core earnings | Investment portfolio income | Total |
|---|---------------|-----------------------------|--------------|---------------|-----------------------------|--------------|
| Net interest income | 1,127 | 46 | 1,173 | 1,096 | 66 | 1,162 |
| Dividend on equities | 7 | 11 | 18 | 3 | - | 3 |
| Fee and commission income, net | 411 | (42) | 369 | 349 | (41) | 308 |
| Net interest and fee income | 1,545 | 15 | 1,560 | 1,448 | 25 | 1,473 |
| Value adjustments | 209 | (53) | 156 | (30) | 14 | (16) |
| Other operating income | 16 | - | 16 | 14 | - | 14 |
| Staff and administrative expenses | 978 | - | 978 | 911 | - | 911 |
| Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets | 4 | - | 4 | 3 | - | 3 |
| Other operating expenses | 37 | - | 37 | 7 | - | 7 |
| Impairment losses on loans and advances | 166 | - | 166 | 248 | - | 248 |
| Profit from investments in associates and group enterprises | 30 | - | 30 | 0 | 0 | 0 |
| Profit (loss) before tax | 615 | (38) | 577 | 263 | 39 | 302 |

Notes

DKK million

The Nykredit Bank Group

4. BUSINESS AREAS

| H1/2013 | Retail | Wholesale | Group Items | Total |
|---|---------------|------------------|--------------------|--------------|
| Core income from | | | | |
| - customer activity, gross | 615 | 1,123 | (42) | 1,696 |
| - payment for distribution | 331 | (331) | 0 | 0 |
| Total business operations | 946 | 792 | (42) | 1,696 |
| - value adjustment of derivatives and corporate bonds | 85 | (29) | - | 56 |
| - core income from securities | - | - | 18 | 18 |
| Total* | 1,031 | 763 | (24) | 1,770 |
| Operating costs | 437 | 352 | 193 | 982 |
| Payment to the Guarantee Fund for Depositors and Investors | 23 | 5 | 9 | 37 |
| Profit from investments in associates and group enterprises | 30 | - | - | 30 |
| Core earnings before impairment losses | 601 | 406 | (226) | 781 |
| Impairment losses on loans and advances | 118 | 59 | (11) | 166 |
| Core earnings after impairment losses | 483 | 347 | (215) | 615 |
| Investment portfolio income ¹ | - | - | (38) | (38) |
| Profit (loss) before tax for the period | 483 | 347 | (253) | 577 |
| * Of which transactions between business areas | 256 | (459) | 203 | 0 |
| Costs excl impairment losses as % of core income from business operations | 48.6 | 45.1 | - | 60.1 |
| Average business capital ² | 3,125 | 2,603 | 3,094 | 8,822 |
| Core earnings after impairment losses as % of allocated capital (pa) | 30.9 | 26.7 | - | 13.9 |
| H1/2012 | Retail | Wholesale | Group Items | Total |
| Core income from | | | | |
| - customer activity, gross | 604 | 1,275 | (55) | 1,824 |
| - payment for distribution | 406 | (406) | 0 | - |
| Total business operations | 1,010 | 869 | (55) | 1,824 |
| - value adjustment of derivatives and corporate bonds | (408) | (30) | - | (438) |
| - core income from securities | - | - | 46 | 46 |
| Total* | 602 | 839 | (9) | 1,432 |
| Operating costs | 422 | 373 | 123 | 918 |
| Payment to the Guarantee Fund for Depositors and Investors | - | - | 3 | 3 |
| Core earnings before impairment losses | 180 | 466 | (135) | 511 |
| Impairment losses on loans and advances | 237 | 12 | (1) | 248 |
| Core earnings after impairment losses | (57) | 454 | (134) | 263 |
| Investment portfolio income ¹ | - | - | 39 | 39 |
| Profit (loss) before tax for the period | (57) | 454 | (95) | 302 |
| * Of which transactions between business areas | 373 | (466) | 93 | 0 |
| Costs excl impairment losses as % of core income from business operations | 41.8 | 42.9 | - | 50.5 |
| Average business capital ² | 3,341 | 3,540 | 2,250 | 9,131 |
| Core earnings after impairment losses as % of allocated capital (pa) | (3.4) | 25.7 | - | 5.8 |

¹ Investment portfolio income equals the return on the Bank's own portfolio exceeding risk-free interest. As from 2012, investment portfolio income also includes expenses in connection with an intercompany guarantee.

² The business capital has been determined according to the Basel II principles and the Bank's internal allocation.

Notes

DKK million

| Nykredit Bank A/S | | The Nykredit Bank Group | |
|--|--------------|-------------------------|--------------|
| H1/2012 | H1/2013 | H1/2013 | H1/2012 |
| 5. INTEREST INCOME | | | |
| 95 | 16 | 16 | 95 |
| 1,508 | 1,251 | 1,291 | 1,544 |
| 514 | 451 | 453 | 516 |
| (121) | (46) | (46) | (121) |
| Of which | | | |
| (31) | (18) | (18) | (31) |
| (75) | 0 | 0 | (75) |
| (13) | (23) | (23) | (13) |
| (2) | (5) | (5) | (2) |
| 1 | 2 | 3 | 2 |
| 1,997 | 1,674 | 1,717 | 2,036 |
| Of which interest income from genuine purchase and resale transactions entered as | | | |
| 71 | 9 | 9 | 71 |
| 184 | 99 | 99 | 184 |
| 6. INTEREST EXPENSES | | | |
| 103 | 83 | 83 | 103 |
| 478 | 227 | 227 | 469 |
| 296 | 228 | 228 | 296 |
| 6 | 6 | 6 | 6 |
| 883 | 544 | 544 | 874 |
| Of which interest expenses for genuine sale and repurchase transactions entered as | | | |
| 15 | 14 | 14 | 15 |
| 146 | 35 | 35 | 146 |
| 7. VALUE ADJUSTMENTS | | | |
| 0 | 7 | 7 | 0 |
| 175 | 26 | 24 | 174 |
| 17 | 31 | 31 | 17 |
| 12 | 31 | 31 | 12 |
| (219) | 63 | 63 | (219) |
| (15) | 158 | 156 | (16) |
| Value adjustments mainly relate to financial assets, financial liabilities and derivative financial instruments included in the Bank's/Group's trading activities. | | | |
| No value adjustments have been made for own credit risk on issued bonds or other financial liabilities. | | | |

Notes

DKK million

| Nykredit Bank A/S | | The Nykredit Bank Group | |
|--|--------------|-------------------------|--------------|
| H1/2012 | H1/2013 | H1/2013 | H1/2012 |
| 8. STAFF AND ADMINISTRATIVE EXPENSES | | | |
| 5 | 5 | 5 | 5 |
| 348 | 362 | 410 | 390 |
| 489 | 514 | 563 | 516 |
| 842 | 881 | 978 | 911 |
| Remuneration of Board of Directors and Executive Board | | | |
| Board of Directors | | | |
| 0 | 0 | 0 | 0 |
| Remuneration Each staff-elected board representative receives annual remuneration of DKK 60,000. No additional remuneration is paid to the Board of Directors. | | | |
| Executive Board | | | |
| 5 | 5 | 5 | 5 |
| 5 | 5 | 5 | 5 |
| The terms and conditions governing the remuneration and pensions of the Executive Board have not changed since the Annual Report 2012, to which reference is made. | | | |
| Staff expenses | | | |
| 287 | 286 | 327 | 323 |
| 28 | 29 | 33 | 31 |
| 33 | 47 | 50 | 36 |
| 348 | 362 | 410 | 390 |
| 723 | 717 | 858 | 850 |
| Average number of staff, full-time equivalents The comparative figure for 2012 has been adjusted by +17 persons. | | | |
| 9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES | | | |
| Specification of impairment provisions | | | |
| 3,942 | 3,828 | 3,875 | 3,988 |
| - | 19 | 19 | - |
| 315 | 123 | 124 | 316 |
| 4,257 | 3,970 | 4,018 | 4,304 |
| Individual impairment provisions for loans, advances and receivables | | | |
| 3,942 | 3,775 | 3,821 | 3,986 |
| 486 | 449 | 464 | 500 |
| 259 | 245 | 253 | 268 |
| 227 | 151 | 157 | 230 |
| 3,942 | 3,828 | 3,875 | 3,988 |
| Individual impairment provisions for receivables from credit institutions | | | |
| - | - | - | - |
| - | 19 | 19 | - |
| - | 19 | 19 | - |
| Collective impairment provisions | | | |
| 307 | 235 | 236 | 308 |
| 8 | (112) | (112) | 8 |
| 315 | 123 | 124 | 316 |

Notes

DKK million

| Nykredit Bank A/S | | The Nykredit Bank Group | |
|--|---------------|--|----------------------|
| H1/2012 | H1/2013 | H1/2013 | H1/2012 |
| 9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued) | | | |
| Earnings impact | | | |
| 235 | 111 | Change in provisions for loan and receivable impairment ¹ | 118 240 |
| 39 | 25 | Losses recognised for the period, net | 31 48 |
| 8 | 15 | Received on claims previously written off | 15 8 |
| 266 | 121 | Total impairment losses | 134 280 |
| (32) | 32 | Provisions for guarantees | 32 (32) |
| 234 | 153 | Total | 166 248 |
| 226 | 265 | Of which individual impairment provisions | 278 240 |
| 8 | (112) | Of which collective impairment provisions | (112) 8 |
| - | 19 | ¹ Of which credit institutions | 19 - |
| Receivables from credit institutions with objective indication of impairment | | | |
| - | 25 | Receivables subject to individual impairment provisioning | 25 - |
| - | 19 | Impairment provisions | 19 - |
| - | 6 | Carrying amount | 6 - |
| Loans and advances subject to objective evidence of impairment | | | |
| 6,086 | 5,957 | Loans and advances at amortised cost subject to individual impairment provisioning | 6,068 6,193 |
| 3,942 | 3,828 | Impairment provisions | 3,875 3,988 |
| 2,144 | 2,129 | Carrying amount | 2,193 2,205 |
| 53,136 | 48,230 | Loans and advances at amortised cost subject to collective impairment provisioning | 48,355 53,429 |
| 315 | 123 | Impairment provisions | 124 316 |
| 52,821 | 48,107 | Carrying amount | 48,231 53,113 |
| 10. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES | | | |
| 41 | 45 | Profit from investments in group enterprises | - - |
| - | 30 | Profit from investments in associates | 30 - |
| 41 | 75 | Total | 30 - |
| 11. TAX | | | |
| 59 | 134 | Tax on profit for the period | 146 72 |
| 59 | 134 | Total | 146 72 |
| - | (1) | Of which effect due to change in future tax level (deferred tax) | 2 - |
| 20.4 | 23.7 | Tax as % of profit for the period | 25.3 23.8 |
| <p>Tax is calculated on the basis of a tax rate of 25% for 2013. Due to the change in the tax rate from 25% in 2013 to 22% in 2017, the calculation of the Bank's deferred tax assumes a tax rate of 23.5%. This rate is based on the Bank's estimate of when the deferred tax will become current tax/the deferred tax assets will be used.</p> <p>The full-year tax rate is expected to correspond to the H1/2013 level.</p> | | | |

Notes

DKK million

| Nykredit Bank A/S | | The Nykredit Bank Group | |
|---|---------------|-------------------------|---------------|
| 31.12.2012 | 30.06.2013 | 30.06.2013 | 31.12.2012 |
| 12. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS | | | |
| 1,747 | 0 | 0 | 1,747 |
| 36,033 | 26,706 | 26,706 | 36,033 |
| 37,780 | 26,706 | 26,706 | 37,780 |
| 17,559 | 17,409 | 17,409 | 17,559 |
| 13. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE | | | |
| 35,401 | 48,797 | 48,797 | 35,401 |
| 35,401 | 48,797 | 48,797 | 35,401 |
| 14. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST | | | |
| 49,659 | 50,236 | 50,424 | 49,807 |
| 49,659 | 50,236 | 50,424 | 49,807 |
| 15. BONDS AT FAIR VALUE | | | |
| 50,833 | 68,980 | 69,181 | 51,029 |
| 4,457 | 6,278 | 6,278 | 4,457 |
| 3,780 | 6,308 | 6,308 | 3,780 |
| 59,070 | 81,566 | 81,767 | 59,266 |
| 1,243 | 1,770 | 1,770 | 1,243 |
| 57,827 | 79,796 | 79,997 | 58,023 |
| The impact of fair value adjustment has been recognised in the income statement. | | | |
| 3,328 | 2,423 | 2,423 | 3,449 |
| 32,361 | 51,989 | 51,989 | 32,361 |
| 14,298 | 12,136 | 12,136 | 14,298 |
| As collateral for the Danish central bank, Danmarks Nationalbank, and foreign clearing centres, etc, bonds have been deposited of a total market value of | | | |
| The collateral was provided on an arm's length basis. | | | |

Notes

DKK million

| Nykredit Bank A/S | | | The Nykredit Bank Group | |
|-------------------|---------------|---|-------------------------|---------------|
| 31.12.2012 | 30.06.2013 | | 30.06.2013 | 31.12.2012 |
| | | 16. EQUITIES | | |
| 181 | 169 | Listed on NASDAQ OMX Copenhagen A/S | 169 | 182 |
| 7 | 10 | Listed on other stock exchanges | 10 | 7 |
| 187 | 137 | Unlisted equities carried at fair value | 137 | 187 |
| 375 | 316 | Total | 316 | 376 |
| | | 17. ASSETS IN TEMPORARY POSSESSION | | |
| 55 | 49 | Assets, beginning of year | 904 | 55 |
| 54 | 38 | Additions | 38 | 909 |
| 60 | 16 | Disposals | 16 | 60 |
| 49 | 71 | Total | 926 | 904 |
| | | At 31 December 2012 and 30 June 2013, this item comprised repossessed properties and shareholding in a property company. | | |
| | | Nykredit Bank accepts mortgages on real estate as security for loans, and in a number of instances the Bank repossesses the properties in the event of borrowers' non-performance of loan agreements etc. | | |
| | | The valuation of assets in temporary possession is based on the expected sales values in case of disposal within a period of 12 months. | | |
| | | 18. OTHER ASSETS | | |
| 6,340 | 5,041 | Interest and commission receivable | 5,077 | 6,374 |
| 43,896 | 33,958 | Positive market value of derivative financial instruments | 33,959 | 43,896 |
| 635 | 4,433 | Other | 4,441 | 648 |
| 50,871 | 43,432 | Total | 43,477 | 50,918 |
| | | 19. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS | | |
| 246 | 0 | Payables to central banks | 0 | 246 |
| 55,109 | 61,393 | Payables to credit institutions | 61,393 | 55,109 |
| 55,355 | 61,393 | Total | 61,393 | 55,355 |
| 13,273 | 23,207 | Of which genuine sale and repurchase transactions | 23,207 | 13,273 |
| | | 20. DEPOSITS AND OTHER PAYABLES | | |
| 34,418 | 40,093 | On demand | 40,048 | 34,403 |
| 6,614 | 6,510 | At notice | 6,510 | 6,614 |
| 10,818 | 13,795 | Time deposits | 13,745 | 10,778 |
| 2,906 | 3,104 | Special deposits | 3,104 | 2,906 |
| 54,756 | 63,502 | Total | 63,407 | 54,701 |
| | | Deposit surplus | | |
| 54,756 | 63,502 | Deposits and other payables at amortised cost | 63,407 | 54,701 |
| 49,659 | 50,236 | Loans, advances and other receivables at amortised cost | 50,424 | 49,807 |
| 5,097 | 13,266 | Total | 12,983 | 4,894 |
| 17,718 | 27,808 | Deposits attributable to genuine sale and repurchase transactions in "Other non-derivative financial liabilities at fair value" | 27,808 | 17,718 |

Notes

DKK million

| Nykredit Bank A/S | | | The Nykredit Bank Group | |
|---|---------------|---|-------------------------|---------------|
| 31.12.2012 | 30.06.2013 | | 30.06.2013 | 31.12.2012 |
| 21. ISSUED BONDS AT AMORTISED COST | | | | |
| Issues | | | | |
| 20,852 | 16,128 | EMTN issues* | 16,128 | 20,852 |
| 8,817 | 12,363 | ECP issues* | 12,363 | 8,817 |
| 29 | 21 | Employee bonds | 21 | 29 |
| 43 | 12 | Other issues* | 12 | 43 |
| 29,741 | 28,524 | Total | 28,524 | 29,741 |
| 1,243 | 1,770 | Own portfolio | 1,770 | 1,243 |
| 28,498 | 26,754 | Total | 26,754 | 28,498 |
| No value adjustments have been made that can be attributed to changes in own credit risk. | | | | |
| * Listed on NASDAQ OMX Copenhagen A/S or on the Luxembourg Stock Exchange | | | | |
| 22. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE | | | | |
| 17,718 | 27,808 | Deposits at fair value | 27,808 | 17,718 |
| 16,023 | 15,450 | Negative securities portfolios | 15,450 | 16,023 |
| 33,741 | 43,258 | Total | 43,258 | 33,741 |
| 17,718 | 27,808 | Deposits at fair value: Of which genuine sale and repurchase transactions | 27,808 | 17,718 |
| 23. OTHER LIABILITIES | | | | |
| 7,731 | 6,301 | Interest and commission payable | 6,300 | 7,731 |
| 44,329 | 34,170 | Negative market value of derivative financial instruments | 34,170 | 44,329 |
| 589 | 643 | Other payables | 826 | 745 |
| 52,649 | 41,114 | Total | 41,296 | 52,805 |

Notes

DKK million

| Nykredit Bank A/S | | The Nykredit Bank Group | |
|---|------------|-------------------------|------------|
| 31.12.2012 | 30.06.2013 | 30.06.2013 | 31.12.2012 |
| 24. PROVISIONS | | | |
| Provisions for losses under guarantees | | | |
| 114 | 82 | 82 | 114 |
| 36 | 68 | 68 | 36 |
| 68 | 36 | 36 | 68 |
| 0 | 0 | 0 | 0 |
| 82 | 114 | 114 | 82 |
| Balance, end of period | | | |
| Other provisions | | | |
| 119 | 124 | 124 | 119 |
| 6 | 7 | 7 | 6 |
| 0 | 34 | 34 | 0 |
| 1 | 0 | 0 | 1 |
| 124 | 97 | 97 | 124 |
| Balance, end of period | | | |
| Total provisions for losses under guarantees and other provisions | | | |
| 233 | 206 | 206 | 233 |
| 42 | 75 | 75 | 42 |
| 68 | 70 | 70 | 68 |
| 1 | 0 | 0 | 1 |
| 206 | 211 | 211 | 206 |
| Balance, end of period | | | |
| <p>As a result of its operations, the Bank continuously enters into contracts where it is probable that the settlement of the liability will lead to an outflow of the Bank's financial resources, and where a reliable estimate may be made of the size of the liability.</p> <p>The balance sheet items in the financial statements represent the Bank's best estimates of the expected costs relating to provisions.</p> <p>The provisions typically concern contractual obligations relating to loans and advances and other banking activities.</p> <p>It is estimated that the majority of provisions will be settled within 1-2 years.</p> | | | |
| 25. SUBORDINATED DEBT | | | |
| Subordinated debt consists of financial liabilities in the form of hybrid capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met. | | | |
| Hybrid capital | | | |
| 100 | 100 | 100 | 100 |
| 150 | 150 | 150 | 150 |
| 250 | 250 | 250 | 250 |
| Total | | | |
| 250 | 250 | 250 | 250 |
| Total subordinated debt | | | |
| 250 | 250 | 250 | 250 |
| - | - | - | - |
| <p>Included in the determination of the capital base after statutory deductions</p> <p>Hybrid capital</p> <p>Costs related to raising and redeeming subordinated debt</p> <p>No value adjustments have been made that can be attributed to changes in own credit risk.</p> | | | |

Notes

DKK million

| Nykredit Bank A/S | | | The Nykredit Bank Group | |
|-------------------|---------------|---|-------------------------|---------------|
| 31.12.2012 | 30.06.2013 | | 30.06.2013 | 31.12.2012 |
| | | 26. CONTINGENT LIABILITIES | | |
| 9,102 | 6,601 | Financial guarantees | 6,601 | 9,100 |
| 593 | 746 | Registration and refinancing guarantees | 746 | 593 |
| 2,476 | 3,359 | Other contingent liabilities | 3,359 | 2,476 |
| 12,171 | 10,706 | Total | 10,706 | 12,169 |

OTHER CONTINGENT LIABILITIES*Legal proceedings*

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

Tax

The Danish tax authorities (SKAT) have proposed that the taxable income declared for 2008 and 2009 be changed.

The proposal is based on a review of exposures granted by Forstædernes Bank and subsequently assumed by the Nykredit Realkredit Group in connection with its acquisition of Forstædernes Bank. In 2010 Forstædernes Bank was merged with Nykredit Bank. As a result of the financial crisis and property market trends, Forstædernes Bank recorded considerable impairment losses on these exposures in 2008 and 2009 for accounting as well as tax purposes.

SKAT's review for the tax assessment years 2008 and 2009 has not been completed yet. However, in SKAT's opinion the loans were not granted on standard business terms and failed to comply with business procedures and instructions. For this reason, SKAT finds that there was no basis for deducting the impairment losses from the taxable income.

The tax effect for the tax assessment year 2008 could amount to up to DKK 300m, but as the review has not been completed yet, the amount is provisional. In May 2013, SKAT announced a change to the tax assessment year 2009 which may result in a tax effect of around DKK 350m.

Nykredit Bank's Management disagrees with the argumentation presented by SKAT and is of the opinion that the loans were granted on standard business terms, in accordance with Forstædernes Bank's policies and business procedures. The loans were moreover granted up to five years prior to the financial crisis, at which time the adverse effects of the property market development were unforeseeable.

Should SKAT uphold that a tax deduction cannot be obtained, the Bank will appeal against SKAT's decision. In the Bank's opinion, the probability that the courts will find for SKAT in case of legal action is negligible. A judgement delivered by the Danish Supreme Court (no SKM2012.353 of 1 June 2012) in 2012 sustains the Bank's view. On this basis, the tax charge has not been adjusted.

Guarantee Fund for Depositors and Investors

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

Any losses arising in connection with the final winding-up are covered by the Guarantee Fond through its winding-up and restructuring department. Nykredit Bank's share of the expense will amount to about 3%.

Notes

DKK million

| Nykredit Bank A/S | | | The Nykredit Bank Group | |
|-------------------|--------------|--------------------------------|-------------------------|--------------|
| 31.12.2012 | 30.06.2013 | | 30.06.2013 | 31.12.2012 |
| | | 27. OTHER COMMITMENTS | | |
| 7,328 | 6,582 | Irrevocable credit commitments | 6,582 | 7,328 |
| 173 | 180 | Other | 408 | 530 |
| 7,501 | 6,762 | Total | 6,990 | 7,858 |

28. RELATED PARTY TRANSACTIONS AND BALANCES

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

No unusual related party transactions occurred in 2012 or H1/2013.

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

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

Important related party transactions prevailing/entered into in 2012 or 2013 include:

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

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

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

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

Furthermore, Nykredit Holding A/S has issued a loss guarantee for the part of the Bank's impairment losses and provisions (earnings impact for the year) that exceeds 2% of loans, advances and guarantees subject to a maximum of DKK 2bn for the term of the guarantee. The guarantee is valid until terminated by the Bank's Management.

Notes

DKK million

The Nykredit Bank Group

29. LOANS, ADVANCES, GUARANTEES AND PROVISIONING RATE

Loans, advances, guarantees and provisions by sector and industry

30 June 2013

| | Carrying amount | | | Proportion, % | Provisions | | Total |
|---|-----------------------|---------------|--|------------------|---------------------------------------|--|--------------|
| | Loans and advances | Guarantees | Total loans, advances and guarantees | | Individual and other provisions | Collective impairment provisions | |
| Public sector | 231 | 215 | 446 | 0.4 | 0 | 0 | 0 |
| Commercial customers | | | | | | | |
| Agriculture, hunting, forestry and fishing | 1,675 | 221 | 1,896 | 1.7 | 168 | 4 | 172 |
| Manufacturing, mining and quarrying | 6,986 | 255 | 7,241 | 6.6 | 156 | 29 | 185 |
| Energy supply | 1,242 | 4 | 1,246 | 1.1 | 6 | 0 | 6 |
| Construction | 1,383 | 432 | 1,815 | 1.7 | 286 | 5 | 291 |
| Trade | 2,042 | 200 | 2,242 | 2.0 | 228 | 3 | 231 |
| Transport, accommodation and food service activities | 2,253 | 596 | 2,849 | 2.6 | 124 | 1 | 125 |
| Information and communication | 694 | 63 | 757 | 0.7 | 69 | 0 | 69 |
| Finance and insurance | 52,205 | 900 | 53,105 | 48.3 | 656 | 2 | 658 |
| Real estate | 10,048 | 1,388 | 11,436 | 10.4 | 1,371 | 20 | 1,391 |
| Other | 6,925 | 763 | 7,688 | 7.0 | 412 | 7 | 419 |
| Total commercial customers | 85,453 | 4,822 | 90,275 | 82.1 | 3,476 | 71 | 3,547 |
| Personal customers | 13,537 | 5,669 | 19,206 | 17.5 | 513 | 53 | 566 |
| Total | 99,221 | 10,706 | 109,927 | 100.0 | 3,989 | 124 | 4,113 |
| Of which reverse lending (loans and advances at fair value) | 48,797 | - | 48,797 | 44.4 | - | - | - |

31 December 2012

| | Carrying amount | | | Proportion, % | Provisions | | Total |
|---|-----------------------|---------------|--|------------------|---------------------------------------|--|--------------|
| | Loans and advances | Guarantees | Total loans, advances and guarantees | | Individual and other provisions | Collective impairment provisions | |
| Public sector | 308 | 205 | 513 | 0.5 | 4 | 0 | 4 |
| Commercial customers | | | | | | | |
| Agriculture, hunting, forestry and fishing | 1,638 | 319 | 1,957 | 2.0 | 162 | 5 | 167 |
| Manufacturing, mining and quarrying | 5,565 | 812 | 6,377 | 6.5 | 146 | 9 | 155 |
| Energy supply | 471 | 52 | 523 | 0.5 | 9 | 0 | 9 |
| Construction | 1,339 | 477 | 1,816 | 1.9 | 273 | 6 | 279 |
| Trade | 2,024 | 193 | 2,217 | 2.3 | 232 | 5 | 237 |
| Transport, accommodation and food service activities | 2,034 | 101 | 2,135 | 2.2 | 97 | 4 | 101 |
| Information and communication | 795 | 84 | 879 | 0.9 | 71 | 2 | 73 |
| Finance and insurance | 38,846 | 857 | 39,703 | 40.8 | 705 | 37 | 742 |
| Real estate | 10,802 | 2,334 | 13,136 | 13.5 | 1,292 | 75 | 1,367 |
| Other | 7,203 | 906 | 8,109 | 8.3 | 380 | 17 | 397 |
| Total commercial customers | 70,717 | 6,135 | 76,852 | 78.9 | 3,367 | 160 | 3,527 |
| Personal customers | 14,183 | 5,829 | 20,012 | 20.6 | 532 | 76 | 608 |
| Total | 85,208 | 12,169 | 97,377 | 100.0 | 3,903 | 236 | 4,139 |
| Of which reverse lending (loans and advances at fair value) | 35,401 | - | 35,401 | 36.4 | - | - | - |

Notes

DKK million

The Nykredit Bank Group

29. LOANS, ADVANCES, GUARANTEES AND PROVISIONING RATE (continued)**Loans, advances, guarantees and provisions by sector and industry**

| Provisioning rate, % | Q2/ 2013 | Q1/ 2013 | Q4/ 2012 | Q3/ 2012 | Q2/ 2012 | Q1/ 2012 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Total loans and advances | 99,221 | 93,368 | 85,208 | 88,564 | 87,424 | 88,880 |
| Total guarantees | 10,706 | 10,084 | 12,169 | 11,552 | 12,366 | 11,040 |
| Provisions for loan impairment at amortised cost | 3,999 | 4,067 | 4,057 | 4,328 | 4,304 | 4,315 |
| Provisions for guarantees | 114 | 142 | 82 | 88 | 82 | 69 |
| Total loans, advances, guarantees and provisions | 114,040 | 107,661 | 101,516 | 104,532 | 104,176 | 104,304 |
| Provisioning rate, % | 3.6 | 3.9 | 4.1 | 4.2 | 4.2 | 4.2 |
| Provisioning rate excluding guarantees, % | 3.9 | 4.2 | 4.5 | 4.7 | 4.7 | 4.6 |

Notes

DKK million

The Nykredit Bank Group

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

| H1/2013 | Fair value | | | Total (carrying amounts) |
|---|------------------|----------------------|--------------------------|--------------------------------|
| | Listed prices | Observable inputs | Unobserv- able inputs | |
| Financial instruments in the form of assets: | | | | |
| Trading book: | | | | |
| Balances with credit institutions (reverse lending, measured at fair value) | | 17,409 | | 17,409 |
| Loans and advances at fair value | | 48,797 | | 48,797 |
| Bonds at fair value | 73,759 | 6,238 | | 79,997 |
| Equities | 197 | 0 | 119 | 316 |
| Positive market value of derivative financial instruments | 517 | 32,466 | 976 | 33,959 |
| Total, 30 June 2013 | 74,473 | 104,910 | 1,095 | 180,478 |
| Financial instruments in the form of liabilities: | | | | |
| Trading book: | | | | |
| Payables to credit institutions and central banks (repo transactions, measured at fair value) | | 23,207 | | 23,207 |
| Other non-derivative financial liabilities at fair value | 14,388 | 28,870 | | 43,258 |
| Negative market value of derivative financial instruments | 459 | 33,493 | 218 | 34,170 |
| Total, 30 June 2013 | 14,847 | 85,570 | 218 | 100,635 |
| Financial instruments measured on the basis of unobservable inputs | | | | |
| Fair value, beginning of period, assets | | | 813 | |
| Transferred to/from Observable inputs (positive market value of derivative financial instruments) | | | 458 | |
| Capital gains/losses on portfolio securities recognised in the income statement (unrealised) | | | (116) | |
| Additions | | | 64 | |
| Disposals | | | 124 | |
| Total, 30 June 2013 | | | 1,095 | |
| Fair value, beginning of period, liabilities | | | 166 | |
| Capital gains/losses on portfolio securities recognised in the income statement (unrealised) | | | 52 | |
| Total, 30 June 2013 | | | 218 | |
| End-2012 | | | | |
| Financial instruments in the form of assets: | | | | |
| Trading book: | | | | |
| Balances with credit institutions (reverse lending, measured at fair value) | | 17,559 | | 17,559 |
| Loans and advances at fair value | | 35,401 | | 35,401 |
| Bonds at fair value | 51,785 | 6,238 | | 58,023 |
| Equities | 214 | | 162 | 376 |
| Positive market value of derivative financial instruments | 744 | 42,501 | 651 | 43,896 |
| Total, 31 December 2012 | 52,743 | 101,699 | 813 | 155,255 |
| Financial instruments in the form of liabilities: | | | | |
| Trading book: | | | | |
| Payables to credit institutions and central banks (repo transactions, measured at fair value) | | 13,273 | | 13,273 |
| Other non-derivative financial liabilities at fair value | 16,023 | 17,718 | | 33,741 |
| Negative market value of derivative financial instruments | 758 | 43,405 | 166 | 44,329 |
| Total, 31 December 2012 | 16,781 | 74,396 | 166 | 91,343 |

Value adjustments related to assets or liabilities at fair value have been recognised in "Value adjustments" in the income statement.

In H1/2013 no significant reclassifications were made between the categories Listed prices and Observable inputs.

In accordance with the commencement provisions for IFRS 13, no comparative figures have been disclosed for H1/2012.

Notes

The Nykredit Bank Group

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

Listed prices

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

Observable inputs

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

Observable inputs are typically yield curves, volatility and market prices of similar instruments which are usually obtained through ordinary providers such as Reuters, Bloomberg or market makers. If fair value is based on transactions in similar instruments, measurement is based only on transactions entered into on an arm's length basis. Reverse lending and repo deposits as well as unlisted derivatives are generally attributable to this category.

In some cases, markets may gradually become inactive and illiquid, such as the bond market in 2008 and 2009. When assessing market transactions, it may therefore be difficult to conclude whether the transactions were executed at arm's length or were forced sales. If measurement is based on recent transactions, the transaction price is compared with a price based on relevant yield curves and discount techniques.

Unobservable inputs

When it is not possible to measure financial instruments at fair value through active market prices or observable inputs, measurement is made on the basis of internal assumptions and extrapolation. Where possible and appropriate, measurement is based on actual transactions adjusted for differences in eg the liquidity, credit spreads and maturities of the instruments. To some extent the Bank's unlisted equities belong in this category.

Positive market values of a number of interest rate swaps with customers in the Bank's lowest rating categories have been adjusted for increased credit risk using a so-called Credit Value Adjustment model. Among the data used by the model are the statistical data applied by the Bank to calculate collective impairment provisions for loans and advances at amortised cost.

Measurement, notably of instruments classified as Unobservable inputs, is subject to some uncertainty. Of total assets and liabilities, DKK 1.1 bn (end-2012: DKK 0.8bn) and DKK 0.2bn (end-2012: DKK 0.2bn), respectively, are attributable to this category. Assuming that actual transaction prices will deviate by +/- 10% from the calculated fair value, the earnings impact will be approximately DKK 88m in H1/2013 (0.6% of equity at 30 June 2013). The earnings impact for the full year 2012 is estimated at DKK 100m (0.7% of equity at end-2012).

Notes

DKK million

| Nykredit Bank A/S | | The Nykredit Bank Group | |
|--|------------|-------------------------|------------|
| 30.06.2012 | 30.06.2013 | 30.06.2013 | 30.06.2012 |
| 31. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES | | | |
| Foreign exchange risk | | | |
| 341 | 151 | 151 | 341 |
| | | | |
| 2.4 | 1.0 | 1.0 | 2.3 |
| | | | |
| 0 | 0 | 0 | 0 |
| | | | |
| 0,0 | 0,0 | 0,0 | 0,0 |
| Interest rate risk by the currency involving the highest interest rate exposure | | | |
| 163 | 288 | 289 | 164 |
| (61) | (188) | (188) | (61) |
| (4) | 51 | 51 | (4) |
| (7) | (4) | (4) | (7) |
| (6) | (13) | (13) | (6) |
| (2) | 7 | 7 | (2) |
| 1 | 2 | 2 | 1 |
| 84 | 143 | 144 | 85 |
| 32. HEDGING INTEREST RATE RISK | | | |
| <p>The Nykredit Bank Group continuously hedges the interest rate risk of fixed-rate assets and liabilities using derivative financial instruments etc.</p> <p>This enables the Group to manage the level of its aggregate interest rate sensitivity taking into consideration the expected interest rate development.</p> <p>According to the accounting provisions, loans, advances and deposits are generally measured at amortised cost, while derivative financial instruments are measured at fair value. To obtain accounting symmetry between hedging and hedged transactions, adjustment of the carrying amounts of the financial assets and liabilities that form part of the effective hedge accounting has been allowed. The fair value adjustment exclusively concerns the hedged part (the interest rate exposure).</p> | | | |

Notes

DKK million

| Nykredit Bank A/S | | | | The Nykredit Bank Group | |
|---|--------------|---|--|-------------------------|--------------|
| 30.06.2012 | 30.06.2013 | | | 30.06.2013 | 30.06.2012 |
| 32. HEDGING INTEREST RATE RISK (continued) | | | | | |
| HEDGED FIXED-RATE ASSETS | | | | | |
| 1,124 | 1,262 | Loans, advances and other receivables at amortised cost | | 1,262 | 1,124 |
| 1,124 | 1,262 | Total nominal value | | 1,262 | 1,124 |
| Market value of hedged fixed-rate assets | | | | | |
| 1,183 | 1,306 | Loans, advances and other receivables at amortised cost | | 1,306 | 1,183 |
| 1,183 | 1,306 | Total carrying amount, end of period | | 1,306 | 1,183 |
| Fair value adjustment | | | | | |
| 59 | 44 | Loans, advances and other receivables at amortised cost | | 44 | 59 |
| 59 | 44 | Total fair value adjustment | | 44 | 59 |
| HEDGED FIXED-RATE FINANCIAL LIABILITIES | | | | | |
| 4,289 | 6,618 | Issued bonds at amortised cost | | 6,618 | 4,289 |
| 4,289 | 6,618 | Total nominal value | | 6,618 | 4,289 |
| Market value of hedged fixed-rate financial liabilities | | | | | |
| 4,463 | 6,717 | Issued bonds at amortised cost | | 6,717 | 4,463 |
| 4,463 | 6,717 | Total carrying amount, end of period | | 6,717 | 4,463 |
| Fair value adjustment | | | | | |
| (174) | (99) | Issued bonds at amortised cost | | (99) | (174) |
| (174) | (99) | Total fair value adjustment | | (99) | (174) |
| HEDGING DERIVATIVE FINANCIAL INSTRUMENTS | | | | | |
| 5,294 | 7,229 | Nominal value (synthetic principal) | | 7,229 | 5,294 |
| 116 | 50 | Market value adjustment (negative market value) | | 50 | 116 |
| FAIR VALUE ADJUSTMENT DIFFERENCE | | | | | |
| 1 | (5) | Total | | (5) | 1 |
| Amounts recognised through profit or loss for the financial period | | | | | |
| (79) | 111 | Hedged transactions | | 111 | (79) |
| 81 | (116) | Hedging transactions | | (116) | 81 |

Notes

DKK million

33. GROUP STRUCTURE

| Name and registered office | Revenue* | Assets | Liabilities | Share capital, 30.06.2013 | Equity, 31.12.2012 | Ownership interest as %, 30.06.2013 | Profit for the period | Nykredit Bank's share of profit for the period | Equity, 30.06.2013 | Carrying amount |
|---|----------|---------|-------------|---------------------------|--------------------|-------------------------------------|-----------------------|--|--------------------|-----------------|
| Nykredit Bank A/S (Parent Company) a) | 1,562 | 251,212 | 236,511 | 6,045 | 14,270 | - | 431 | - | 14,701 | - |
| Consolidated subsidiaries | | | | | | | | | | |
| Nykredit Portefølje Administration A/S, Copenhagen e) | 118 | 316 | 26 | 25 | 259 | 100 | 31 | 31 | 290 | 290 |
| Nykredit Pantebrevsinvestering A/S, Copenhagen b) | 0 | 12 | 0 | 5 | 12 | 100 | 0 | 0 | 12 | 12 |
| Nykredit Leasing A/S, Gladsaxe c) | 57 | 3,255 | 3,081 | 46 | 161 | 100 | 13 | 13 | 174 | 174 |
| FB Ejendomme A/S, Copenhagen d) | 0 | 5 | 1 | 1 | 4 | 100 | 0 | 0 | 4 | 4 |

Associates

Dansk Pantebrevsbørs A/S, Copenhagen b)

The company is subject to insolvency proceedings.

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

Nykredit Pantebrevsinvestering A/S has only had few activities in 2012 and 2013.

a) Bank

b) Mortgage trading company

c) Leasing company

d) Property management company

e) Investment management activities, including asset management and investment advisory services

Notes

DKK million

| | Q2/ 2013 | Q1/ 2013 | Q4/ 2012 | Q3/ 2012 | Q2/ 2012 | Q1/ 2012 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 34. THE NYKREDIT BANK GROUP – SIX QUARTERS | | | | | | |
| SUMMARY INCOME STATEMENT | | | | | | |
| Net interest income | 595 | 578 | 620 | 544 | 559 | 603 |
| Dividend on equities and fee and commission income, net | 206 | 181 | 205 | 137 | 155 | 156 |
| Net interest and fee income | 801 | 759 | 825 | 681 | 714 | 759 |
| Value adjustments | 110 | 46 | (521) | (18) | 36 | (52) |
| Other operating income | 9 | 7 | 23 | 10 | 7 | 7 |
| Staff and administrative expenses | 509 | 469 | 446 | 452 | 454 | 457 |
| Other operating costs, depreciation and amortisation | 14 | 27 | 9 | 19 | (2) | 12 |
| Impairment losses on loans, advances and receivables | (51) | 217 | 142 | 167 | 155 | 93 |
| Profit from investments in associates and group enterprises | 30 | - | - | - | - | - |
| Profit (loss) before tax | 478 | 99 | (270) | 35 | 150 | 152 |
| Tax | 121 | 25 | (83) | 10 | 31 | 41 |
| Profit (loss) for the period | 357 | 74 | (187) | 25 | 119 | 111 |
| Comprehensive income | | | | | | |
| Other comprehensive income | - | - | - | - | - | - |
| Total other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | 357 | 74 | (187) | 25 | 119 | 111 |
| SUMMARY BALANCE SHEET, END OF PERIOD | | | | | | |
| Assets | | | | | | |
| Cash balance and receivables from central banks and credit institutions | 27,853 | 29,287 | 44,812 | 33,000 | 44,545 | 43,008 |
| Loans, advances and other receivables at fair value | 48,797 | 43,097 | 35,401 | 34,470 | 32,106 | 32,830 |
| Loans, advances and other receivables at amortised cost | 50,424 | 50,271 | 49,807 | 54,094 | 55,318 | 56,050 |
| Bonds at fair value | 79,997 | 63,823 | 58,023 | 77,328 | 72,499 | 71,787 |
| Equities | 316 | 427 | 376 | 374 | 340 | 392 |
| Remaining asset items | 44,638 | 52,427 | 52,099 | 56,593 | 48,531 | 43,161 |
| Total assets | 252,025 | 239,332 | 240,518 | 255,859 | 253,339 | 247,228 |
| Liabilities and equity | | | | | | |
| Payables to credit institutions and central banks | 61,393 | 56,264 | 55,355 | 65,018 | 66,191 | 67,967 |
| Deposits and other payables | 63,407 | 65,183 | 54,701 | 53,684 | 55,446 | 56,828 |
| Issued bonds | 26,754 | 27,362 | 28,498 | 31,278 | 27,385 | 31,576 |
| Other non-derivative financial liabilities at fair value | 43,258 | 26,702 | 33,741 | 33,112 | 39,656 | 32,179 |
| Remaining payables | 41,987 | 48,910 | 53,468 | 57,850 | 49,778 | 43,917 |
| Total payables | 236,799 | 224,421 | 225,763 | 240,942 | 238,456 | 232,467 |
| Provisions | 275 | 317 | 235 | 210 | 201 | 198 |
| Subordinated debt | 250 | 250 | 250 | 250 | 250 | 250 |
| Equity | 14,701 | 14,344 | 14,270 | 14,457 | 14,432 | 14,313 |
| Total liabilities and equity | 252,025 | 239,332 | 240,518 | 255,859 | 253,339 | 247,228 |
| OFF-BALANCE SHEET ITEMS | | | | | | |
| Contingent liabilities | 10,706 | 10,084 | 12,169 | 11,552 | 12,366 | 11,040 |
| Other commitments | 6,990 | 8,591 | 7,858 | 7,740 | 7,766 | 6,601 |
| FINANCIAL RATIOS | | | | | | |
| Total capital ratio, % | 21.9 | 20.6 | 21.3 | 20.4 | 19.8 | 21.2 |
| Tier 1 capital ratio, % | 21.9 | 20.6 | 21.3 | 20.4 | 19.8 | 21.2 |
| Return on equity before tax (pa), % | 13.2 | 2.8 | (7.5) | 1.0 | 4.2 | 4.2 |
| Return on equity after tax (pa), % | 9.8 | 2.1 | (5.2) | 0.7 | 3.3 | 3.1 |

Notes

DKK million

| | Q2/ 2013 | Q1/ 2013 | Q4/ 2012 | Q3/ 2012 | Q2/ 2012 | Q1/ 2012 |
|---|------------|------------|--------------|------------|------------|------------|
| 34. THE NYKREDIT BANK GROUP – SIX QUARTERS (continued) | | | | | | |
| Summary core earnings and investment portfolio income | | | | | | |
| Core income from business operations | 896 | 800 | 878 | 745 | 985 | 839 |
| Value adjustment of derivatives and corporate bonds | 41 | 15 | (553) | (76) | (268) | (170) |
| Core income from securities | 8 | 10 | 7 | 8 | 21 | 25 |
| Total core income | 945 | 825 | 332 | 677 | 738 | 694 |
| Operating costs and depreciation of equipment | 510 | 472 | 450 | 456 | 457 | 461 |
| Payment to the Guarantee Fund for Depositors and Investors | 13 | 24 | 5 | 15 | (5) | 8 |
| Profit from investments in associates and group enterprises | 30 | - | - | - | - | - |
| Core earnings before impairment losses | 452 | 329 | (123) | 206 | 286 | 225 |
| Impairment losses on loans and advances | (51) | 217 | 142 | 167 | 155 | 93 |
| Core earnings after impairment losses | 503 | 112 | (265) | 39 | 131 | 132 |
| Investment portfolio income | (25) | (13) | (5) | (4) | 19 | 20 |
| Profit (loss) before tax | 478 | 99 | (270) | 35 | 150 | 152 |
| Tax | 121 | 25 | (83) | 10 | 31 | 41 |
| Profit (loss) for the period | 357 | 74 | (187) | 25 | 119 | 111 |

Notes

DKK million

| | H1/2013 | FY 2012 | H1/2012 | H1/2011 | H1/2010 | H1/2009 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 35. THE NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS | | | | | | |
| SUMMARY INCOME STATEMENT AND COMPREHENSIVE INCOME | | | | | | |
| Net interest and fee income | 1,560 | 2,979 | 1,473 | 1,660 | 1,827 | 1,852 |
| Value adjustments | 156 | (555) | (16) | (56) | 300 | 70 |
| Other operating income | 16 | 47 | 14 | 14 | 18 | 19 |
| Staff and administrative expenses | 978 | 1,809 | 911 | 880 | 977 | 981 |
| Other operating costs, depreciation and amortisation | 41 | 38 | 10 | 92 | 262 | 288 |
| Impairment losses on loans, advances and receivables | 166 | 557 | 248 | 201 | 749 | 1,856 |
| Profit from investments in associates and group enterprises | 30 | - | - | - | - | - |
| Profit (loss) before tax | 577 | 67 | 302 | 445 | 157 | (1,184) |
| Tax | 146 | (1) | 72 | 115 | 67 | (281) |
| Profit (loss) for the period | 431 | 68 | 230 | 330 | 90 | (903) |
| Comprehensive income | | | | | | |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | 431 | 68 | 230 | 330 | 90 | (903) |
| SUMMARY BALANCE SHEET, END OF PERIOD | | | | | | |
| Assets | | | | | | |
| Cash balance and receivables from central banks and credit institutions | 27,853 | 44,812 | 44,545 | 25,418 | 35,201 | 25,567 |
| Loans, advances and other receivables at fair value | 48,797 | 35,401 | 32,106 | 16,409 | 13,899 | 23,320 |
| Loans, advances and other receivables at amortised cost | 50,424 | 49,807 | 55,318 | 57,541 | 61,355 | 65,825 |
| Bonds at fair value and equities | 80,313 | 58,399 | 72,839 | 56,836 | 73,046 | 81,298 |
| Remaining asset items | 44,532 | 52,099 | 48,531 | 25,885 | 44,431 | 28,739 |
| Total assets | 251,919 | 240,518 | 253,339 | 182,089 | 227,932 | 224,749 |
| Liabilities and equity | | | | | | |
| Payables to credit institutions and central banks | 61,393 | 55,355 | 66,191 | 37,647 | 65,922 | 77,074 |
| Deposits and other payables | 63,407 | 54,701 | 55,446 | 52,107 | 57,481 | 60,890 |
| Issued bonds at amortised cost | 26,754 | 28,498 | 27,385 | 26,113 | 38,114 | 39,692 |
| Other non-derivative financial liabilities at fair value | 43,258 | 33,741 | 39,656 | 25,336 | 9,785 | 5,083 |
| Remaining payables | 41,987 | 53,468 | 49,778 | 25,766 | 42,072 | 27,914 |
| Total payables | 236,799 | 225,763 | 238,456 | 166,969 | 213,374 | 210,653 |
| Provisions | 275 | 235 | 201 | 255 | 958 | 278 |
| Subordinated debt | 250 | 250 | 250 | 766 | 1,136 | 4,058 |
| Equity | 14,701 | 14,270 | 14,432 | 14,099 | 12,464 | 9,760 |
| Total liabilities and equity | 252,025 | 240,518 | 253,339 | 182,089 | 227,932 | 224,749 |
| OFF-BALANCE SHEET ITEMS | | | | | | |
| Contingent liabilities | 10,706 | 12,169 | 12,366 | 9,229 | 17,549 | 16,015 |
| Other commitments | 6,990 | 7,858 | 7,766 | 6,617 | 7,531 | 9,258 |

Notes

DKK million

| | H1/2013 | FY 2012 | H1/2012 | H1/2011 | H1/2010 | H1/2009 |
|---|---------|---------|---------|---------|---------|---------|
| 35. THE NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS (continued) | | | | | | |
| FINANCIAL RATIOS | | | | | | |
| Total capital ratio, % | 21.9 | 21.3 | 19.8 | 18.5 | 12.7 | 12.5 |
| Tier 1 capital ratio, % | 21.9 | 21.3 | 19.8 | 17.9 | 12.0 | 9.4 |
| Return on equity before tax, %* | 4.0 | 0.5 | 2.1 | 3.2 | 1.3 | (11.9) |
| Return on equity after tax, %* | 3.0 | 0.5 | 1.6 | 2.4 | 0.8 | (9.1) |
| Income:cost ratio* | 1.49 | 1.03 | 1.26 | 1.38 | 1.08 | 0.62 |
| Interest rate exposure, % | 1.0 | 0.5 | 0.6 | 0.5 | 0.8 | 1.1 |
| Foreign exchange position, % | 1.0 | 0.0 | 2.3 | 0.2 | 2.6 | 0.0 |
| Foreign exchange exposure, % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Loans and advances:deposits* | 1.6 | 1.6 | 1.6 | 1.5 | 1.4 | 1.5 |
| Loans and advances:equity* | 6.7 | 6.0 | 6.1 | 5.2 | 6.0 | 9.1 |
| Growth in loans and advances excl repos for the period, %* | 1.2 | (10.9) | (1.0) | (2.6) | 0.7 | (10.0) |
| Growth in loans and advances incl repos for the period, %* | 16.4 | 9.4 | 12.2 | 2.7 | 3.3 | (8.8) |
| Excess cover:statutory liquidity requirements, % | 201.6 | 183.2 | 152.9 | 198.7 | 265.8 | 200.3 |
| Total large exposures, % | 12.5 | 0.0 | 0.0 | 10.8 | 33.0 | 97.6 |
| Impairment losses for the period, %* | 0.1 | 0.5 | 0.2 | 0.2 | 0.7 | 1.7 |
| Average number of staff, full-time equivalents* | 858 | 850 | 850 | 801 | 923 | 1,317 |

The financial ratios have been calculated in accordance with the definitions of the Danish Executive Order on the Presentation of Financial Statements.

* 2009 has been restated to reflect the changes resulting from the merger with Forstædernes Bank.

Financial ratios regarding total capital and Tier 1 capital ratios etc are not affected by the merger with Forstædernes Bank.

Notes

DKK million

| | H1/2013 | FY 2012 | H1/2012 | H1/2011 | H1/2010 | H1/2009 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 36. NYKREDIT BANK A/S – FINANCIAL HIGHLIGHTS | | | | | | |
| SUMMARY INCOME STATEMENT AND COMPREHENSIVE INCOME | | | | | | |
| Net interest and fee income | 1,404 | 2,707 | 1,344 | 1,561 | 1,746 | 1,770 |
| Value adjustments | 158 | (553) | (15) | (54) | 300 | 98 |
| Other operating income | 0 | 17 | 1 | 4 | 6 | 7 |
| Staff and administrative expenses | 881 | 1,653 | 842 | 812 | 919 | 915 |
| Other operating costs, depreciation and amortisation | 38 | 30 | 6 | 88 | 260 | 285 |
| Impairment losses on loans, advances and receivables | 153 | 523 | 234 | 186 | 731 | 1,839 |
| Profit (loss) from investments in associates and group enterprises | 75 | 81 | 41 | 15 | 11 | (23) |
| Profit (loss) before tax | 565 | 46 | 289 | 440 | 153 | (1,187) |
| Tax | 134 | (22) | 59 | 110 | 63 | (284) |
| Profit (loss) for the period | 431 | 68 | 230 | 330 | 90 | (903) |
| Comprehensive income | | | | | | |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income | 431 | 68 | 230 | 330 | 90 | (903) |
| SUMMARY BALANCE SHEET, END OF PERIOD | | | | | | |
| Assets | | | | | | |
| Cash balance and receivables from central banks and credit institutions | 27,853 | 44,812 | 44,545 | 25,418 | 35,198 | 25,484 |
| Loans, advances and other receivables at fair value | 48,797 | 35,401 | 32,106 | 16,409 | 13,899 | 23,320 |
| Loans, advances and other receivables at amortised cost | 50,236 | 49,659 | 54,965 | 57,286 | 61,144 | 65,411 |
| Bonds at fair value and equities | 80,112 | 58,202 | 72,670 | 56,676 | 73,044 | 81,226 |
| Remaining asset items | 44,214 | 51,652 | 48,947 | 26,294 | 44,753 | 29,009 |
| Total assets | 251,212 | 239,726 | 253,233 | 182,083 | 228,038 | 224,450 |
| Liabilities and equity | | | | | | |
| Payables to credit institutions and central banks | 61,393 | 55,355 | 66,151 | 37,647 | 65,922 | 76,406 |
| Deposits and other payables | 63,502 | 54,756 | 55,534 | 52,213 | 57,716 | 61,427 |
| Issued bonds at amortised cost | 26,754 | 28,498 | 27,385 | 26,113 | 38,114 | 39,692 |
| Other non-derivative financial liabilities at fair value | 43,258 | 33,741 | 39,656 | 25,336 | 9,785 | 5,083 |
| Remaining payables | 41,143 | 52,650 | 49,624 | 25,654 | 41,943 | 27,747 |
| Total payables | 236,050 | 225,000 | 238,350 | 166,963 | 213,480 | 210,355 |
| Provisions | 211 | 206 | 201 | 255 | 958 | 277 |
| Subordinated debt | 250 | 250 | 250 | 766 | 1,136 | 4,058 |
| Equity | 14,701 | 14,270 | 14,432 | 14,099 | 12,464 | 9,760 |
| Total liabilities and equity | 251,212 | 239,726 | 253,233 | 182,083 | 228,038 | 224,450 |
| OFF-BALANCE SHEET ITEMS | | | | | | |
| Contingent liabilities | 10,706 | 12,171 | 12,366 | 9,229 | 17,548 | 16,014 |
| Other commitments | 6,762 | 7,501 | 7,646 | 6,516 | 7,458 | 9,225 |

Notes

DKK million

| | H1/2013 | FY 2012 | H1/2012 | H1/2011 | H1/2010 | H1/2009 |
|---|---------|---------|---------|---------|---------|---------|
| 36. NYKREDIT BANK A/S – FINANCIAL HIGHLIGHTS (continued) | | | | | | |
| FINANCIAL RATIOS | | | | | | |
| Total capital ratio, % | 21.9 | 21.3 | 19.6 | 18.4 | 12.6 | 12.4 |
| Tier 1 capital ratio, % | 21.9 | 21.3 | 19.6 | 17.7 | 11.9 | 9.3 |
| Return on equity before tax, %* | 3.9 | 0.3 | 2.0 | 3.2 | 1.3 | (11.9) |
| Return on equity after tax, %* | 3.0 | 0.5 | 1.6 | 2.4 | 0.8 | (9.1) |
| Income:cost ratio* | 1.53 | 1.02 | 1.27 | 1.41 | 1.08 | 0.62 |
| Interest rate exposure, % | 1.0 | 0.5 | 0.6 | 0.5 | 0.8 | 1.1 |
| Foreign exchange position, % | 0.0 | 0.0 | 2.4 | 0.0 | 2.6 | 0.0 |
| Foreign exchange exposure, % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Loans and advances:deposits* | 1.6 | 1.6 | 1.6 | 1.5 | 1.4 | 1.5 |
| Loans and advances:equity* | 6.7 | 6.0 | 6.0 | 5.2 | 6.0 | 9.1 |
| Growth in loans and advances excl repos for the period, %* | 1.2 | (10.7) | (1.2) | (2.6) | 0.7 | (9.8) |
| Growth in loans and advances incl repos for the period, %* | 16.4 | 9.6 | 12.2 | 2.7 | 3.2 | (8.6) |
| Excess cover:statutory liquidity requirements, % | 201.8 | 183.1 | 152.3 | 197.7 | 265.7 | 200.4 |
| Total large exposures, % | 12.5 | 0.0 | 0.0 | 10.8 | 33.1 | 97.7 |
| Impairment losses for the period, %* | 0.1 | 0.5 | 0.2 | 0.2 | 0.7 | 1.7 |
| Average number of staff, full-time equivalents | 717 | 723 | 723 | 687 | 824 | 1,194 |

The financial ratios have been calculated in accordance with the definitions of the Danish Executive Order on the Presentation of Financial Statements.

* 2009 has been restated to reflect the changes resulting from the merger with Forstædernes Bank.

Financial ratios regarding total capital and Tier 1 capital ratios etc are not affected by the merger with Forstædernes Bank.

Financial ratios, definitions

| | |
|--|--|
| Total capital ratio, % | Capital base divided by risk-weighted assets |
| Tier 1 capital ratio, % | Tier 1 capital after statutory deductions divided by risk-weighted assets |
| Core Tier 1 capital ratio, % | Calculated as the financial ratio "Tier 1 capital ratio, %", but less hybrid capital |
| Return on equity before tax, % | Profit (loss) before tax as a percentage of average equity |
| Return on equity after tax, % | Profit (loss) after tax as a percentage of average equity |
| Income:cost ratio | Income incl profit (loss) from associates and group enterprises divided by costs less tax |
| Interest rate exposure, % | Interest rate exposure divided by Tier 1 capital after statutory deductions |
| Foreign exchange position, % | Foreign exchange indicator 1 divided by Tier 1 capital less statutory deductions |
| Foreign exchange exposure, % | Foreign exchange indicator 2 divided by Tier 1 capital less statutory deductions |
| Loans and advances:deposits | Loans and advances + impairment provisions divided by deposits Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost |
| Loans and advances:equity | Loans and advances divided by equity (end of period) Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost |
| Growth in loans and advances excl repos for the period, % | Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year divided by loans and advances at the end of the year/period) Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost |
| Growth in loans and advances incl repos for the period, % | Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year divided by loans and advances at the end of the year/period) Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost |
| Excess cover:statutory liquidity requirements, % | Excess cover relative to the 10% requirement of § 152 of the Danish Financial Business Act (Available excess liquidity relative to 10% of reduced payables) (Reduced payables: Balance sheet total + guarantees - equity - subordinated debt included in the determination of the capital base) |
| Total large exposures, % | Total large exposures divided by the capital base |
| Impairment losses for the year/period, % | Impairment losses for the period divided by loans and advances + guarantees + impairment provisions |

The financial ratios have been calculated in accordance with the Danish FSA's guidelines for reporting purposes. The financial ratios "Core Tier 1 capital ratio" and "Growth in loans and advances incl repos for the period" are, however, not included in the guidelines.

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