

**NYKREDIT BANK A/S – A SUBSIDIARY OF NYKREDIT REALKREDIT A/S
CONSOLIDATED IN THE NYKREDIT GROUP FINANCIAL STATEMENTS****INTERIM REPORT– NYKREDIT BANK GROUP****1 JANUARY – 30 JUNE 2015**

- Profit before tax, excluding value adjustment of interest rate swaps, increased by DKK 377m from DKK 629m in H1/2014 to DKK 1,006m.
- Core income from business operations grew by 11% from DKK 1,665m to DKK 1,841m.

The improvement primarily reflected a rise of DKK 250m in Wholesale earnings, of which Nykredit Markets's activities contributed DKK 154m, while Corporate & Institutional Banking and Nykredit Asset Management saw an aggregate increase of DKK 96m. Retail posted an earnings decline of DKK 91m and Group Items a rise of DKK 17m.

- Operating costs decreased by 8% from DKK 1,057m in H1/2014 to DKK 973m. This development should be seen in light of Nykredit's objective to reduce the Group's costs. Costs as a percentage of core income from business operations were trimmed to 52.9% from 63.5% in H1/2014.
- Impairment losses on loans and advances improved by DKK 128m from DKK 39m in H1/2014 to an income of DKK 89m, which represented negative 0.1% of loans and advances for the period under review compared with 0.0% at 30 June 2014.
- Value adjustment of interest rate swaps was a gain of DKK 454m against a loss of DKK 435m in H1/2014.

Value adjustments were a loss of DKK 1,061m in Q1/2015 and a gain of DKK 1,515m in Q2/2015. This development should mainly be seen on the back of the interest rate fall in the first quarter of the year, which was replaced by a significant interest rate rise in Q2. Value adjustment of swaps primarily related to the financial and legal uncertainty associated with the cooperative housing segment and mainly constituted provisions for potential future losses, irrespective of the fact that the losses are not considered likely. Incurred losses amounted to DKK 74m in H1/2015.

- The Nykredit Bank Group recorded a pre-tax profit of DKK 1,460m against DKK 194m in H1/2014.
- The balance sheet stood at DKK 193bn compared with DKK 230bn at end-2014.

LIQUIDITY

- Excess coverage relative to statutory liquidity requirements was 306%, and the Bank had a deposit surplus of DKK 16.6bn. The Bank's liquidity coverage ratio (LCR) came to 157% according to the future LCR rules.

CAPITAL

- Equity stood at DKK 15.7bn at 30 June 2015 against DKK 12.6bn at end-2014.
- The total capital ratio was 18.9% and the Tier 1 capital ratio was 18.5% against 13.1% and 12.8%, respectively, at end-2014. The Common Equity Tier 1 (CET1) capital ratio was 18.4% against 12.8% at end-2014. The internal capital adequacy requirement was 12.8% compared with 11.7% at end-2014.

ABOUT NYKREDIT BANK GROUP

The H1 Interim Reports 2015 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

Nykredit Bank Group

DKK million	H1/2015	H1/2014	FY 2014
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
- business operations	1,841	1,665	3,173
- value adjustment of derivatives due to interest rate changes	864	(362)	(1,229)
- other value adjustment of derivatives	(410)	(73)	(2,133)
- securities	4	14	29
Total	2,299	1,244	(160)
Operating costs and depreciation of equipment	976	1,057	2,007
Provisions for costs relating to reorganisation	(3)	-	28
Core earnings before impairment losses	1,326	187	(2,195)
Impairment losses on loans and advances and provisions for guarantees	(89)	39	219
Core earnings after impairment losses	1,415	148	(2,414)
Investment portfolio income	45	46	43
Profit (loss) before tax	1,460	194	(2,371)
Tax	342	42	(599)
Profit (loss) for the period	1,118	152	(1,772)
SUMMARY BALANCE SHEET, END OF PERIOD			
Assets			
Cash balances and receivables from central banks and credit institutions	31,954	27,790	33,885
Loans, advances and other receivables at fair value	29,765	45,328	35,228
Loans, advances and other receivables at amortised cost	49,441	46,908	50,494
Bonds at fair value and equities	44,109	79,968	65,314
Remaining assets	37,688	36,906	44,962
Total assets	192,957	236,900	229,883
Liabilities and equity			
Payables to credit institutions and central banks	45,693	63,306	63,876
Deposits and other payables	66,056	61,918	65,350
Bonds in issue at amortised cost	25,763	22,565	25,881
Other non-derivative financial liabilities at fair value	8,171	40,857	19,943
Remaining payables	31,286	33,268	41,913
Provisions	195	236	245
Subordinated debt	100	250	100
Equity	15,693	14,500	12,575
Total liabilities and equity	192,957	236,900	229,883
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	21,156	12,028	20,893
Other commitments	4,671	6,536	4,839
FINANCIAL RATIOS			
Profit for the period as % of average equity pa	15.8	2.1	(13.2)
Profit before tax for the period as % of average equity pa	20.7	2.7	(17.6)
Core earnings before impairment losses as % of average equity pa	18.8	2.6	(16.3)
Core earnings after impairment losses as % of average equity pa	20.0	2.1	(17.9)
Costs excl impairment losses as % of core income from business operations	52.9	63.5	63.3
Impairment losses on loans and advances	3,297	3,742	3,560
Impairment losses for the period, %	(0.1)	0.0	0.2
Total capital ratio, %	18.9	16.0	13.1
Tier 1 capital ratio, %	18.5	15.6	12.8
CET 1 capital ratio, %	18.4	15.4	12.8
Average number of full-time staff	761	852	820

NYKREDIT BANK GROUP

NYKREDIT BANK GROUP RESULTS RELATIVE TO H1/2014

The Group recorded a profit before tax of DKK 1,460m against DKK 194m in H1/2014.

Excluding value adjustment of interest rate swaps, profit before tax for the period went up by DKK 377m from DKK 629m in H1/2014 to DKK 1,006m.

The trend in core operations was positive, with core income from business operations up by 11% to DKK 1,841m. Operating costs fell by DKK 84m, and impairment losses on loans and advances were an income of DKK 89m, corresponding to an improvement of DKK 128m compared with H1/2014.

The development in core income from business operations was an effect of an earnings rise in Group Items and Wholesale, where especially Nykredit Markets's activities developed favourably. By contrast, Retail earnings declined compared with H1/2014.

Value adjustment of interest rate swaps had a positive earnings impact of DKK 454m compared with a loss of DKK 435m in H1/2014. The value adjustment should be seen in the context of the Bank's provisions for potential future losses, and the income in H1/2015 was chiefly attributable to the interest rate rise in Q2. The provisions cover especially legal and economic risk associated with the cooperative housing segment.

Impairment losses on loans and advances developed satisfactorily and contributed an income of DKK 89m against losses of DKK 39m in H1/2014. Impairment losses were negative at 0.1% of loans and advances for the period under review compared with 0.0% in H1/2014.

Core earnings

Core income from business operations

Core income totalled DKK 1,841m, which was the highest H1 level for the past five years.

Compared with core income of DKK 1,665m in H1/2014, this represented a rise of DKK 176m.

The rise was notably attributable to Wholesale, which recorded an earnings rise to DKK 1,036m from DKK 786m in H1/2014, of which Nykredit Markets's activities accounted for an increase of DKK 154m to DKK 332m. Core income from Corporate & Institutional Banking and Nykredit Asset Management went up by DKK 80m and DKK 16m, respectively.

Group Items grew by DKK 17m to DKK 16m, while Retail dropped by DKK 91m to DKK 789m.

Relative to end-2014, lending at amortised cost fell by DKK 1.1bn to DKK 49.4bn as at 30 June 2015, reflecting continued subdued demand. The reduction was attributable to both Retail and Wholesale.

Deposits went up by DKK 0.7bn in H1/2015 from DKK 65.4bn at end-2014 to DKK 66.1bn. The rise was attributable to a DKK 2.5bn increase in Retail deposits and a DKK 0.8bn and DKK 1.0bn decrease in Wholesale and Group Items, respectively.

Value adjustment of derivatives

Value adjustments for the period under review totalled a gain of DKK 454m against a loss of DKK 435m in H1/2014. Incurred losses (terminated contracts) amounted to DKK 74m in H1/2015. In addition to swap rate movements, profit for H1 was affected by provisions of about DKK 400m for general risk relating to swaps. The provisions are not related to individual customers.

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

DKK million	Retail		Wholesale		Group Items		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Core income from:								
customer activities, gross	494	595	1,331	1,071	16	(1)	1,841	1,665
payment for distribution	295	285	(295)	(285)	-	-	-	-
Core income from business operations	789	880	1,036	786	16	(1)	1,841	1,665
Value adjustment of derivatives	250	(538)	204	103	-	-	454	(435)
Core income from securities	-	-	-	-	4	14	4	14
Total core income	1,039	342	1,240	889	20	13	2,299	1,244
Operating costs	488	490	343	409	145	158	976	1,057
Provisions for reorganisation costs	-	-	-	-	(3)	-	(3)	-
Core earnings before impairment losses	551	(148)	897	480	(122)	(145)	1,326	187
Impairment losses on loans and advances	(9)	139	(80)	(103)	0	3	(89)	39
Core earnings after impairment losses	560	(287)	977	583	(122)	(148)	1,415	148
Investment portfolio income	-	-	-	-	45	46	45	46
Profit (loss) before tax for the period	560	(287)	977	583	(77)	(102)	1,460	194
- excluding value adjustment of derivatives	310	251	773	480	(77)	(102)	1,006	629
Costs excl impairment losses as % of core income from business operations	61.9	55.7	33.1	52.0	-	-	52.9	63.5

In H1/2015, the value adjustment was significantly affected by interest rate falls in Q1, which resulted in an expense of DKK 992m, whereas rising interest rate levels in Q2 resulted in income of DKK 1,856m.

Q1 was affected by the pressure on the Danish krone and the ECB's asset purchase programme, which prompted interest rate falls in both Germany and Denmark. By contrast, Q2 was characterised by a rise in long-term yields.

The Bank has no direct interest rate exposure from its portfolio of interest rate swaps due to interest rate hedging arrangements with major domestic and foreign banks.

Therefore, value adjustments should chiefly be seen in the context of the provisions prompted by the uncertainty about the legal set-up of cooperative housing and customers' financial outlook. The level was particularly affected by long-term swap rates, which were 2.0% as at 30 June 2015 against some 1.7% at end-2014.

If the interest rate level changes by 1 percentage point, Nykredit Bank's earnings will increase or decrease by about DKK 1.9bn.

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

It should be noted that, to a significant extent, provisions have been made to cover the risk that some judicial decisions related to the cooperative housing segment will go against Nykredit's interests. However, the decisions are expected to be in Nykredit's favour. In the longer term, the major part of the provisions is expected to be reversed.

Losses incurred on interest rate swaps since 2012 amounted to some DKK 375m and are expected to remain at a low level compared with the total provisions of about DKK 5.0bn. One reason for the relatively large provisions was the fact that swap contracts with customers having the lowest ratings are valued at DKK 0. The provisions are thus higher than the expected losses based on probability-weighted loss scenarios. Incurred losses amounted to DKK 74m in H1/2015.

In July 2015, the Danish High Court found for Nykredit, ruling that a housing cooperative's petition for bankruptcy cannot be granted under the specific circumstances. This judicial decision did not affect the valuation of interest rate swaps in H1/2015.

Core income from securities

Core income from securities decreased from DKK 14m in H1/2014 to DKK 4m, which was mainly a result of a capital increase of DKK 2.0bn and a change in the risk-free interest rate, which dropped from an average of 0.20% in H1/2014 to an average of 0.06%. The risk-free interest rate is based on the Danish central bank's lending rate.

Operating costs, depreciation and amortisation

Staff and administrative expenses fell by DKK 87m, or 8%, to DKK 932m. Payroll costs accounted for a decline of DKK 68m, or 16%, while other administrative expenses dropped by DKK 19m.

Payroll costs and other administrative expenses were in line with expectations.

The average number of full-time staff totalled 761 compared with 852 in H1/2014 and an average of 820 for 2014. Compared with H1/2014, the number of staff members decreased by 91 or 11%.

Other operating expenses reduced from DKK 34m in H1/2014 to DKK 33m. This development was partly an effect of a reversal (income) of DKK 18m relating to the provisions for reorganisation and additional provisions of DKK 15m for the reorganisation in Nykredit Markets in June 2015.

Impairment losses and provisions

Impairment losses and provisions developed favourably from DKK 39m in H1/2014 to an income of DKK 89m in H1/2015, equal to a positive development of DKK 128m.

Impairment losses for the period comprised a rise of DKK 250m in individual impairment provisions and a drop of DKK 339m in collective impairment provisions. The change was in part attributable to the transfer of one single large exposure from collective to individual impairment provisioning. Incurred losses and recoveries on claims previously written off came to a net loss of DKK 14m compared with a net loss of DKK 10m in H1/2014.

Provisions for guarantees were DKK 0m against DKK 7m in H1/2014.

Retail impairment losses reduced by DKK 148m to an income of DKK 9m. This reduction comprised a decline of DKK 122m in impairment losses on personal customers and a decline of DKK 26m in impairment losses on small and medium-sized enterprises (SMEs).

Wholesale impairment losses were an income of DKK 80m against an income of DKK 102m in H1/2014. Impairment losses on Group Items reduced by DKK 2m.

Impairment losses for the period under review were negative at 0.1% of loans and advances compared with 0.0% in H1/2014.

Investment portfolio income

Investment portfolio income came to DKK 45m compared with DKK 46m in H1/2014.

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

Tax

Tax calculated on profit for the period was DKK 342m, equal to 23.4% of profit before tax.

RESULTS FOR Q2/2015

Q2/2015 saw a profit before tax of DKK 1,948m, an improvement of DKK 2,436m compared with Q1/2015. The upturn primarily reflected that value adjustment of interest rate swaps was a gain of DKK 1,515m in Q2 compared with a loss of DKK 1,061m in Q1, which represented a positive development of DKK 2,576m.

Core income from business operations was DKK 837m in Q2, equal to a reduction of DKK 167m compared with the elevated level in Q1/2015.

Costs dropped by DKK 31m compared with Q1, while impairment losses improved by DKK 51m.

Investment portfolio income declined from DKK 49m to a loss of DKK 4m in Q2. This should be viewed in light of the fact that the movements in the interest rate markets resulted in very high income in Q1.

Compared with a profit before tax of DKK 195m in Q2/2014, Q2/2015 saw a rise of DKK 1,753m, which in all material respects was attributable to value adjustment of interest rate swaps that had a positive earnings impact of DKK 1,720m.

Core income from business operations went down by DKK 48m from DKK 885 in Q2/2014 to DKK 837m, whereas operating costs decreased from DKK 530m to DKK 471m, corresponding to a positive earnings impact of DKK 59m.

Impairment losses improved by DKK 69m to an income of DKK 70m in Q2/2015.

OUTLOOK FOR 2015

In the Annual Report 2014, we forecast profit before tax, excluding value adjustment of interest rate swaps, to range between DKK 800m and DKK 900m for 2015. For H1/2015, profit was DKK 1,006m.

In H1/2015, several areas developed favourably.

Against this backdrop, Management has decided to raise its guidance for the 2015 full year by DKK 300m, after which profit before tax, excluding value adjustment of interest rate swaps, is expected at DKK 1.1-1.2bn.

In its full-year guidance, Management has allowed for the general uncertainty about the developments in interest rate markets and loan impairment losses, which were very low in H1.

BUSINESS AREAS

The Nykredit Bank Group's business areas are:

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

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

RETAIL

Retail posted a profit before tax of DKK 560m compared with a loss of DKK 287m in H1/2014. Excluding value adjustment of interest rate swaps, profit was DKK 310m against DKK 251m in H1/2014, an improvement of DKK 59m.

Value adjustment of interest rate swaps totalled a gain of DKK 250m in H1/2015 against a loss of DKK 538m in H1/2014, equal to a positive earnings impact of DKK 788m.

Core income from business operations amounted to DKK 789m, down DKK 91m compared with H1/2014. The decline generally comprised a fall in net fees of DKK 5m and in net interest income of about DKK 86m.

Operating costs amounted to DKK 488m against DKK 490m in H1/2014.

Wholesale: Income from customer activities and income allocation

DKK million	H1/2015	H1/2014
Customer activities, gross		
Nykredit Markets	511	310
Nykredit Asset Management	410	392
Corporate & Institutional Banking	410	369
Total	1,331	1,071
Income allocation		
Nykredit Markets	(179)	(132)
Nykredit Asset Management	(237)	(235)
Corporate & Institutional Banking	121	82
Total allocation to Retail	(295)	(285)
Core income		
Nykredit Markets	332	178
Nykredit Asset Management	173	157
Corporate & Institutional Banking	531	451
Total	1,036	786

Impairment losses equalled an income of DKK 9m against losses of DKK 139m in H1/2014. The income in H1/2015 comprised losses of DKK 28 on personal customers and an income of DKK 37m relating to SMEs. In H1/2014 the impairments comprised an income of DKK 11m relating to SMEs and losses of DKK 150m on personal customers.

Impairment losses were 0.0% of loans and advances against 0.4% in H1/2014.

Costs (excluding impairment losses) as a percentage of core income from business operations totalled 61.9% compared with 55.7% in H1/2014.

Lending and deposits

The business area's lending activities declined to DKK 24.7bn from DKK 25.5bn at end-2014. Deposits grew from DKK 40.6bn at end-2014 to DKK 43.1bn.

WHOLESALE

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

Results

The business area posted a profit of DKK 977m in H1/2015 compared with a profit of DKK 583m in H1/2014. Excluding value adjustment of interest rate swaps, the business area's profit developed from DKK 480m in H1/2014 to DKK 773m, up DKK 293m.

In addition to the positive development in value adjustments, the rise was attributable to increased core income from business operations, which was up by DKK 250m to DKK 1,036m.

The area's gross income totalled DKK 1,331m against DKK 1,071m in H1/2014.

Of this amount, gross income from Nykredit Markets was DKK 511m, up DKK 201m on H1/2014, income from Nykredit Asset Management was DKK 410m, up DKK 18m on H1/2014, and income from Corporate & Institutional Banking rose by DKK 41m from DKK 369m to DKK 410m.

Earnings in Nykredit Markets went up in H1/2015 compared with H1/2014, primarily driven by increased market activity and high market volatility. The increased market activity translated into a net rise of both Danish and international investors – particularly in the first months of the year when liquid DKK-denominated bonds were in demand by international investors.

Gross income from Nykredit Asset Management was DKK 410m, up DKK 18m from the level in H1/2014. Assets under management amounted to DKK 139bn, corresponding to a rise of DKK 20bn compared with end-H1/2014. Assets under administration totalled DKK 712bn against DKK 619bn at end-H1/2014 and DKK 723bn at end-Q1/2015.

Core earnings

The business area's core income from business operations was DKK 1,036m, up DKK 250m on H1/2014, which was mainly a result of a DKK 154m earnings increase in Nykredit Markets. Aggregate income from Corporate & Institutional Banking and Nykredit Asset Management was DKK 96m above the level in H1/2014.

Value adjustment of derivatives improved by DKK 101m to a gain of DKK 204m in H1/2015 from a gain of DKK 103m in H1/2014.

Operating costs were DKK 343m, a fall of DKK 66m compared with H1/2014. The reduced cost level was partly reflected by the reorganisation in Nykredit Markets, including the closing of the Stockholm branch by end-January.

Impairment losses on loans and advances equalled an income of DKK 80m against an income of DKK 103m in H1/2014. The income in H1/2015 comprised DKK 74m relating to Corporate & Institutional Banking and DKK 6m relating to non-continuing exposures in the business unit Other Activities.

Impairment losses, exclusive of reverse repurchase lending, were negative at 0.3% of loans and advances compared with negative 0.4% in H1/2014.

Operating costs as a percentage of core income from business operations were 33.1% compared with 52.0% in H1/2014.

The subsidiary Nykredit Portefølje Administration recorded a profit before tax of DKK 55m against DKK 44m in H1/2014.

The subsidiary Nykredit Leasing contributed a profit before tax of DKK 37m against DKK 24m in H1/2014.

Lending and deposits

Lending amounted to DKK 24.7bn compared with DKK 24.9bn at end-2014.

Deposits came to DKK 22.5bn against DKK 23.3bn at end-2014.

GROUP ITEMS

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

Results for the period were a loss of DKK 77m against a loss of DKK 102m in H1/2014. Profit from treasury activities was DKK 17m in H1/2015.

Core income rose to DKK 20m from DKK 13m in H1/2014, while operating costs dropped by DKK 16m to DKK 142m.

Core earnings and investment portfolio income from securities amounted to DKK 49m compared with DKK 60m in H1/2014.

Unallocated costs were DKK 136m against DKK 148m in H1/2014, of which expenses for IT development made up DKK 136m and DKK 146m, respectively.

BALANCE SHEET, EQUITY, CAPITAL ADEQUACY AND RATINGS

Nykredit Bank Group Loans, advances and deposits

DKK million	30.06.2015	31.12.2014	30.06.2014
Lending			
Retail	24,663	25,533	23,645
Personal customers	12,565	13,229	13,210
Commercial customers	12,098	12,304	10,435
Wholesale	24,732	24,929	23,207
Loans and advances at fair value (reverse repurchase lending)	29,765	35,228	45,328
Group Items and other lending	46	32	56
Deposits			
Retail	43,121	40,637	39,225
Personal customers	24,599	23,332	23,086
Commercial customers	18,522	17,305	16,139
Wholesale	22,477	23,287	22,105
Deposits at fair value (repo)	3,453	13,855	27,236
Group Items and other deposits	458	1,425	588

Nykredit Bank Group Equity

DKK million	30.06.2015	31.12.2014	30.06.2014
Equity, beginning of period	12,575	14,347	14,347
Paid-up capital	2,000	-	-
Profit (loss) after tax for the period	1,118	(1,772)	152
Equity, end of period	15,693	12,575	14,500

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

DKK million	30.06.2015	31.12.2014	30.06.2014
Share capital	8,045	6,045	6,045
Retained earnings	7,648	6,530	8,455
Equity, end of period	15,693	12,575	14,500
Prudent valuation adjustment	(299)	(435)	(377)
Intangible assets	(43)	(55)	(21)
Deduction for difference between IRB losses and impairments	(34)	(42)	-
CET1 capital	15,317	12,044	14,102
Hybrid capital	100	100	250
Other deductions	(25)	(85)	(50)
Tier 1 capital	15,391	12,059	14,301
Provisions relative to expected losses in accordance with IRB approach	360	390	369
Transitional Tier 2 capital adjustment	(25)	(85)	-
Own funds	15,727	12,365	14,670
Total risk exposure amount	83,126	94,051	90,156
Total capital ratio, %	18.9	13.1	16.0
Tier 1 capital ratio, %	18.5	12.8	15.6
CET1 capital ratio, %	18.4	12.8	15.4
Internal capital adequacy requirement, %	12.8	11.7	11.5

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY OF NYKREDIT BANK GROUP

Balance sheet

The balance sheet stood at DKK 192.9bn compared with DKK 229.9bn at end-2014.

The reduced balance sheet was attributable to a reduced securities portfolio resulting from fewer repo transactions and increased focus on balance sheet management to optimise the Group's capital resources.

Balances with credit institutions and cash balances dropped by DKK 1.9bn to DKK 32.0bn, while loans and advances at fair value (reverse repurchase lending) decreased by DKK 5.4bn to DKK 29.8bn.

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

The bond portfolio decreased from DKK 65.0bn at end-2014 to DKK 43.7bn. The portfolio may fluctuate significantly from one reporting period to another, which should be seen in continuation of the Bank's repo activities, trading positions and general liquidity management. The portfolio mainly consists of high-rated covered bonds.

Other assets totalled DKK 37.3bn against DKK 44.2bn at end-2014. At 30 June 2015, DKK 32.2bn derived from positive market values of derivatives compared with DKK 39.1bn at end-2014. The positive market values related to the Bank's customer activities in derivatives and own positions for hedge accounting purposes. The interest rate risk was widely hedged through offsetting interest rate swaps, and the market value should therefore be viewed in relation to "Other liabilities", which included negative market values of DKK 27.7bn.

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

Payables to credit institutions and central banks decreased from DKK 63.9bn at end-2014 to DKK 45.7bn.

Deposits and other payables came to DKK 66.1bn, a DKK 0.7bn rise on end-2014 when deposits were DKK 65.4bn. Retail deposits grew by DKK 2.5bn to DKK 43.1bn, whereas Wholesale deposits dropped from DKK 23.3bn to DKK 22.5bn. Group Items and other deposits decreased by about DKK 1.0bn.

The Bank's deposit surplus was DKK 16.6bn relative to lending at amortised cost.

Bonds in issue fell from DKK 25.9bn at end-2014 to DKK 25.8bn. The level is continuously adapted to the Bank's liquidity needs.

Other non-derivative financial liabilities at fair value, which include deposits relating to repo transactions, came to DKK 8.2bn against DKK 19.9bn at end-2014 due to fewer repo deposits.

Other payables and deferred income totalled DKK 31.2bn against DKK 41.9bn at end-2014. The items mainly consisted of negative market

values of financial instruments in the amount of DKK 27.7bn as well as interest and commission payable.

Equity

Equity stood at DKK 15.7bn at 30 June 2015. Compared with end-2014, equity increased by DKK 2.0bn as a result of a share capital increase and profit for the period of DKK 1.1bn.

Own funds and total capital ratio

Own funds totalled DKK 15.7bn at 30 June 2015 compared with DKK 12.4bn at end-2014, and the total capital ratio stood at 18.9% against 13.1% at end-2014.

The internal capital adequacy requirement was 12.8% at 30 June 2015 against 11.7% at end-2014. This rise primarily reflected volatility in the interest rate markets in H1/2015, which implies an increased internal capital adequacy requirement relating to the portfolio of swap transactions for which special value adjustments have been made, including notably business with housing cooperatives.

Nykredit Bank aims to have a Tier 1 capital ratio of at least 13%. At 30 June 2015, the Tier 1 capital ratio was 18.5% against 12.8% at end-2014. The CET1 capital ratio came to 18.4% at 30 June 2015 compared with 12.8% at end-2014.

The total risk exposure amount (previously risk-weighted assets) declined by DKK 11.0bn compared with end-2014 to DKK 83.1bn. This comprised a decline of DKK 8.5bn in items involving credit risk, a drop of DKK 0.3bn in items involving operational risk and a decline of DKK 2.2bn in items involving market risk. The decline in market risk was prompted by a reduction in the bond portfolio.

CREDIT RATINGS

Nykredit Bank A/S has a long-term unsecured credit rating of A and a short-term unsecured credit rating of A-1 with Standard & Poor's. The rating outlook is negative.

On 13 July 2015, Standard & Poor's published its rating actions after its review of the implementation of the EU Bank Recovery and Resolution Directive (BRRD) in Denmark. Standard & Poor's took the position that its ratings on Danish banks will no longer include an uplift for expected government support during a crisis.

Standard & Poor's noted at the same time that Nykredit expects to have a capital buffer of 5% according to the criteria of Standard & Poor's ALAC (Additional Loss-Absorbing Capacity) concept by mid-2017.

This made Standard & Poor's change its long-term credit rating on Nykredit Bank from A+ to A, whereas the short-term credit rating was affirmed at A-1.

Fitch Ratings has assigned Nykredit Bank A/S a long-term unsecured credit rating of A and a short-term unsecured credit rating of F1. The rating outlook is stable.

Moody's Investors Service continues to publish unsolicited ratings on Nykredit Bank A/S.

IMPAIRMENT LOSSES AND LENDING

Earnings impact for the period

Impairment losses reduced by DKK 128m from DKK 39m in H1/2014 to an income of DKK 89m in H1/2015.

Retail impairments fell by DKK 148m to an income of DKK 9m. Of this reduction, impairment losses on lending to SMEs accounted for a decrease of DKK 26m and lending to personal customers for a decrease of DKK 122m.

Wholesale impairments were an income of DKK 80m against an income of DKK 102m in H1/2014. The impairment charge for Corporate & Institutional Banking decreased by DKK 17m to an income of DKK 74m, while the business unit Other Activities contributed an income of

DKK 6m compared with an income of DKK 45m in H1/2014.

Of the total income from loan impairments of DKK 89m, a net amount of DKK 250m related to individual impairment provisions, while collective impairment provisions were an income of DKK 339m. Recoveries on loans and advances previously written off totalled DKK 16m, while write-offs for the period came to DKK 30m.

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

Provisions for guarantees amounted to DKK 0m in H1/2015 against DKK 7m in H1/2014.

Provisions for loan impairment and guarantees – Nykredit Bank Group

DKK million	Retail		Wholesale		Group Items		Total	
	H1/2015	H1/2014	H1/2015	H1/2014	H1/2015	H1/2014	H1/2015	H1/2014
Impairment provisions, beginning of year	1,978	2,277	1,526	1,634	77	83	3,581	3,994
Impairment provisions and reversals for the period	(127)	(27)	(133)	(202)	(1)	-	(261)	(229)
Impairment provisions, end of period	1,851	2,250	1,393	1,432	76	83	3,320	3,765
Of which individual	1,746	2,045	1,328	1,292	54	61	3,128	3,398
Of which individual, banks	-	-	-	-	22	22	22	22
Of which collective	105	205	65	(140)	-	-	170	345
Provisions for guarantees								
Provisions, beginning of period	51	48	55	55	-	-	106	103
Provisions, end of period	51	52	55	58	-	-	106	110
Total provisions for loan impairment and guarantees, end of period	1,902	2,302	1,448	1,490	76	83	3,426	3,875
Earnings impact								
New impairment provisions and losses for the period, net	3	143	(76)	(97)	0	2	(73)	48
Recoveries on loans and advances previously written off	11	8	5	8	0	0	16	16
Total	(8)	135	(81)	(105)	0	2	(89)	32
Provisions for guarantees	(1)	4	1	3	-	0	0	7
Total earnings impact	(9)	139	(80)	(102)	0	2	(89)	39

Loans, advances and guarantees by sector at 30 June 2015 and 31 December 2014

DKK million	Loans, advances and guarantees		Provisions	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Public sector	809	596	0	0
Agriculture, hunting, forestry and fishing	2,671	3,230	101	138
Manufacturing, mining and quarrying	5,684	5,526	227	269
Energy supply	851	1,055	9	9
Construction	2,058	2,087	232	236
Trade	2,949	3,309	106	119
Transport, accommodation and food service activities	3,231	2,930	117	91
Information and communication	1,087	1,027	60	62
Finance and insurance	35,379	40,420	263	305
Real estate	12,422	13,071	1,401	1,540
Other	9,626	9,643	289	305
Total commercial customers	75,958	82,298	2,805	3,074
Personal customers	23,595	23,721	598	592
Total public sector and commercial and personal customers	100,362	106,615	3,403	3,666
Total impairment provisions, incl banks	-	-	3,426	3,687

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

Provisions for loan impairment and guarantees at 30 June 2015

Total provisions decreased by 12% from DKK 3,765m at 30 June 2014 to DKK 3,320m at 30 June 2015. Individual impairment provisions reduced by DKK 270m and collective impairment provisions by DKK 175m.

Compared with end-2014, impairment provisions reduced by DKK 261m from DKK 3,581m to DKK 3,320m. Of the change in individual impairment provisions, new impairment provisions came to DKK 236m net, while DKK 160m was write-offs. Collective impairment provisions decreased from DKK 509m to DKK 170m, partly driven by the transfer of one single large exposure to individual impairment provisioning.

Impairment provisions for Retail reduced from DKK 1,978m at end-2014 to DKK 1,851m due to a rise of DKK 6m in impairment provisions for personal customers and a decline of DKK 133m in impairment provisions for SMEs.

Wholesale impairment provisions dropped by DKK 133m from DKK 1,526m at end-2014 to DKK 1,393m, of which the portfolio of non-continuing exposures accounted for a decline of DKK 31m to DKK 548m. Other business units fell by DKK 102m compared with end-2014.

Total non-continuing exposures were fairly unchanged at DKK 0.6bn at 30 June 2015 (carrying amounts after impairments).

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

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

Loans, advances and guarantees by sector

Loans, advances and guarantees totalled DKK 100bn at 30 June 2015 against DKK 107bn at end-2014. This development comprised a decline of DKK 5bn in reverse repurchase lending and a decline of DKK 2bn in other loans, advances and guarantees. Reverse repurchase lending totalled DKK 30bn at 30 June 2015 compared with DKK 35bn at end-2014.

Finance and insurance still accounted for the largest single sector exposure at DKK 35bn against DKK 40bn at end-2014. The exposure widely comprised reverse repurchase lending. Finance and insurance accounted for 35.3% (end-2014: 37.9%), the real estate sector 12.4%

Supervisory Diamond for banks (parent company level)

DKK million	H1/2015	H1/2014	FY 2014
Lending growth (limit value <20%)*	(1.8)	(0.5)	6.8
Large exposures (limit value <125%)	24.3	14.0	34.5
Property exposure (limit value <25%)	13.7	11.7	13.6
Funding ratio (limit value <1.0%)	0.5	0.5	0.6
Excess liquidity coverage (limit value 50%)	305.9	220.4	281.6

* Determined exclusive of reverse repurchase lending

(end-2014: 12.3%) and personal customers 23.5% (end-2014: 22.3%).

Nykredit Bank recorded negative lending growth of 1.8%, excluding reverse repurchase lending, determined pursuant to the rules of the Danish FSA, including the rules relating to the FSA Supervisory Diamond model.

Inclusive of reverse repurchase lending, the Bank's lending decreased by 7.5% relative to end-2014.

Lending to the real estate and construction sectors totalled DKK 14bn at end-June 2015 compared with DKK 15bn at end-2014. Of total loans, advances and guarantees at 30 June 2015, DKK 11bn derived from the category "Renting of real estate", which was unchanged from end-2014.

At 30 June 2015, loan impairment provisions for the real estate sector totalled DKK 1.6bn compared with DKK 1.7bn at end-2014, or 10% of total loans and advances to the sector, the same as at end-2014.

Determined pursuant to the FSA Supervisory Diamond model, the Bank's real estate exposure was 13.7% compared with 13.6% at end-2014. In Management's opinion, this exposure is at an appropriate level.

The FSA Supervisory Diamond

Nykredit Bank's key ratios were below the maximum limit values of the Danish FSA throughout H1/2015.

LIQUIDITY AND FINANCIAL RISK

LIQUIDITY

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

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

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

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

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

At 30 June 2015, the excess coverage was 306% against 220% at 30 June 2014, corresponding to a liquidity buffer of DKK 61.8bn compared with DKK 52.8bn at 30 June 2014. In H1/2015 the liquidity buffer averaged DKK 46.7bn compared with an average of DKK 48.6bn for H1/2014.

At 30 June 2015, the Bank had issued DKK 19.6bn of medium-term bonds under the EMTN programme and DKK 9.1bn of short-term ECP issues.

The aggregate amount of bonds in issue under the ECP and EMTN programmes was DKK 29.0bn at 30 June 2015 against DKK 28.0bn at end-2014.

The total run-off under Nykredit Bank's EMTN programme in H1/2015 was DKK 2.2bn. The EMTN and ECP issuance requirement depends on the development in customer deposits and lending as well as the Bank's other business activities.

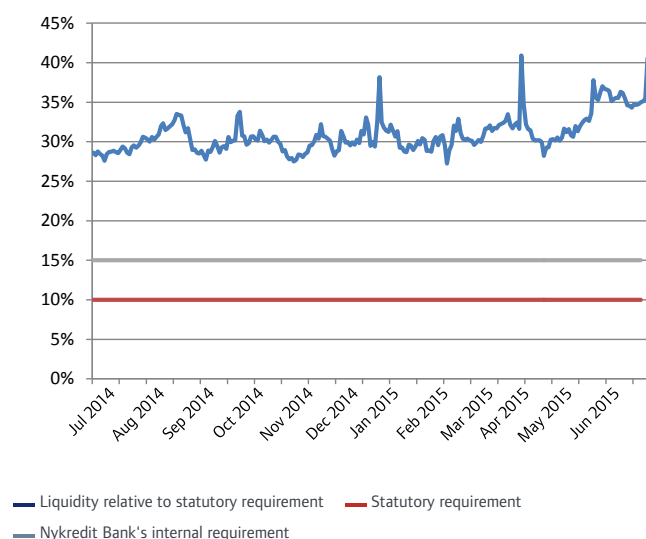
Liquidity Coverage Ratio

On 10 October 2014, the European Commission published the LCR regulation effective as at 1 October 2015. A requirement of 100% will apply to Danish SIFIs as at 1 October 2015.

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

The LCR of Nykredit Bank A/S excluding self-issued bonds was 157% at end-H1/2015.

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 deductions, cf s 152 of the Danish Financial Business Act.

Nykredit Bank Group

Risk key figures

DKK million	H1/2015	H1/2014	FY 2014
Value-at-Risk			
End of period	11	15	20
Average	15	18	11
Interest rate risk			
End of period	33	(2)	73
Foreign exchange position			
EUR	9	11	45
Excl EUR and DKK	6	41	(40)

FINANCIAL RISK

Value-at-Risk (VaR) came to DKK 11m at end-H1/2015 against DKK 15m the year before. VaR averaged DKK 15m in H1/2015 against DKK 18m in H1/2014.

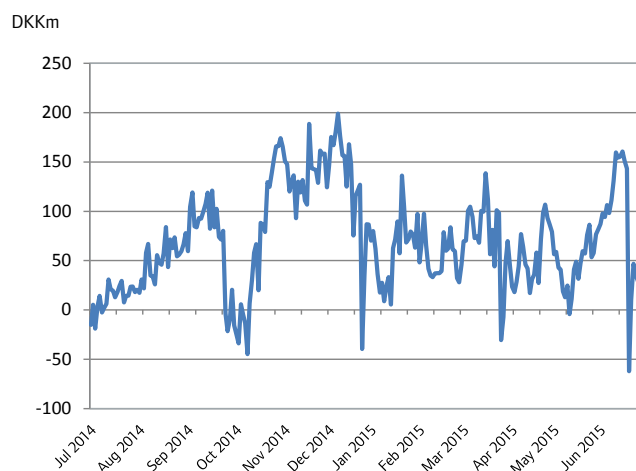
Stressed VaR was DKK 21m at end-H1/2015 and averaged DKK 35m in H1/2015. At end-H1/2014, stressed VaR was DKK 55m and averaged DKK 52m.

The interest rate exposure was DKK 33m at end-H1/2015 against negative DKK 2m the year before.

The Bank's foreign exchange position in EUR was DKK 9m at end-H1/2015 against DKK 11m the year before. Its foreign exchange position in currencies other than EUR and DKK totalled DKK 6m at end-H1/2015 against DKK 41m year-on-year.

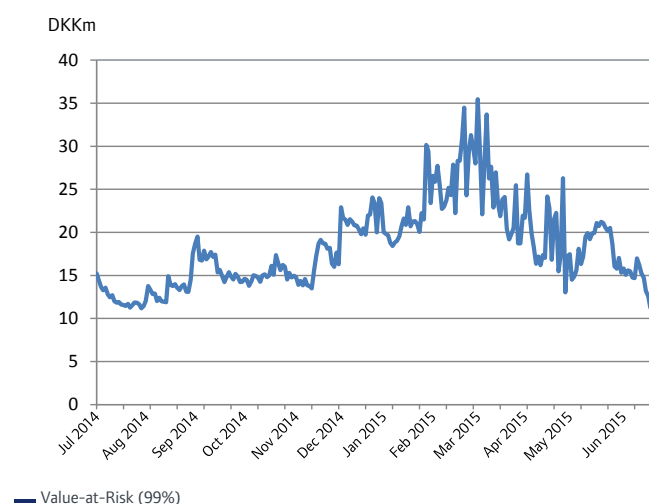
Nykredit Bank A/S

Net interest rate exposure



Nykredit Bank A/S

Value-at-Risk (incl equities)



OTHER

OTHER

Capital increase

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

The Danish High Court finds for Nykredit

In July 2015, the Danish High Court found for Nykredit, ruling that a housing cooperative's petition for bankruptcy cannot be granted under the specific circumstances. In December 2014, the Maritime and Commercial Court in Copenhagen granted the housing cooperative's petition for bankruptcy.

Closing of Stockholm branch

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

BoligBank

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

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

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

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

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

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

UNCERTAINTY AS TO RECOGNITION AND MEASUREMENT

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

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

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

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

On 13 July 2015, Standard & Poor's published its rating actions after its review of the implementation of the EU Bank Recovery and Resolution Directive (BRRD) in Denmark. Standard & Poor's took the position that its ratings on Danish banks will no longer include an uplift for expected government support during a crisis.

Standard & Poor's noted at the same time that Nykredit expects to have a capital buffer of 5% according to the criteria of Standard & Poor's ALAC (Additional Loss-Absorbing Capacity) concept by mid-2017.

This made Standard & Poor's change its long-term credit ratings on Nykredit Realkredit A/S and Nykredit Bank from A+ to A, whereas the short-term credit ratings were affirmed at A-1. The rating outlooks are negative.

No other significant events have occurred in the period up to the presentation of the H1 Interim Report 2015 which affect the Nykredit Bank Group's financial position.

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 2015 of Nykredit Bank A/S and the Nykredit Bank Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The Interim Financial Statements of the Parent Company, Nykredit Bank A/S, have been 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 2015 and of the results of the Group's and the Parent Company's operations as well as the Group's cash flows for the financial period 1 January – 30 June 2015.

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

The Interim Report has not been audited or reviewed.

Copenhagen, 20 August 2015

Executive Board

Bjørn Mortensen

Jesper Berg

Board of Directors

Michael Rasmussen, Chairman

Søren Holm, Deputy Chairman

Kent Ankersen, staff-elected

Olav Brusén Barsøe, staff-elected

Kim Duus

Allan Kristiansen, staff-elected

Anders Jensen

Bente Overgaard

Statements of income and comprehensive income for 1 January – 30 June

DKK million

Nykredit Bank A/S				Nykredit Bank Group	
H1/2014	H1/2015		Note	H1/2015	H1/2014
1,709	1,095	Interest income	5	1,155	1,762
-	8	Negative interest, net	5a	8	-
500	298	Interest expenses	6	298	501
1,209	805	NET INTEREST INCOME		865	1,261
16	4	Dividend on equities		4	16
575	612	Fee and commission income		752	693
206	234	Fee and commission expenses		246	210
1,594	1,187	NET INTEREST AND FEE INCOME		1,375	1,760
(481)	956	Value adjustments	7	954	(483)
0	0	Other operating income		15	13
921	831	Staff and administrative expenses	8	932	1,019
4	8	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets		8	4
33	31	Other operating expenses		33	34
29	(94)	Impairment losses on loans, advances and receivables	9	(89)	39
52	73	Profit from investments in associates and group enterprises	10	-	-
178	1,440	PROFIT BEFORE TAX		1,460	194
26	322	Tax	11	342	42
152	1,118	PROFIT FOR THE PERIOD		1,118	152
STATEMENTS OF COMPREHENSIVE INCOME					
152	1,118	PROFIT FOR THE PERIOD		1,118	152
-	-	- Other additions and disposals		-	-
-	-	OTHER COMPREHENSIVE INCOME		-	-
152	1,118	COMPREHENSIVE INCOME FOR THE PERIOD		1,118	152

Balance sheets, end of period

DKK million

Nykredit Bank A/S			Nykredit Bank Group		
31.12.2014	30.06.2015		Note	30.06.2015	31.12.2014
ASSETS					
4,417	15,212	Cash balances and demand deposits with central banks		15,212	4,417
29,467	16,741	Receivables from credit institutions and central banks	12	16,742	29,468
35,228	29,765	Loans, advances and other receivables at fair value	13	29,765	35,228
49,024	48,162	Loans, advances and other receivables at amortised cost	14	49,441	50,494
64,625	43,331	Bonds at fair value	15	43,721	64,972
341	387	Equities	16	388	342
869	926	Investments in group enterprises		-	-
55	49	Intangible assets		49	55
14	8	Other property, plant and equipment		8	14
614	299	Current tax assets		278	618
36	36	Deferred tax assets		-	0
47	41	Assets in temporary possession	17	41	47
44,169	37,228	Other assets	18	37,263	44,206
14	41	Prepayments		49	22
228,920	192,226	TOTAL ASSETS		192,957	229,883

Balance sheets, end of period

DKK million

Nykredit Bank A/S			Nykredit Bank Group		
31.12.2014	30.06.2015		Note	30.06.2015	31.12.2014
LIABILITIES AND EQUITY					
63,131	45,153	Payables to credit institutions and central banks	19	45,693	63,876
65,440	66,183	Deposits and other payables	20	66,056	65,350
25,881	25,763	Bonds in issue at amortised cost	21	25,763	25,881
19,943	8,171	Other non-derivative financial liabilities at fair value	22	8,171	19,943
29	29	Liabilities temporarily assumed		29	29
41,631	30,982	Other liabilities	23	31,251	41,880
1	3	Deferred income		6	4
216,056	176,284	TOTAL PAYABLES		176,969	216,963
Provisions					
-	-	Provisions for deferred tax		46	56
106	106	Provisions for losses under guarantees	24	106	106
83	43	Other provisions	24	43	83
189	149	TOTAL PROVISIONS		195	245
100	100	Subordinated debt	25	100	100
Equity					
6,045	8,045	Share capital		8,045	6,045
Other reserves					
385	385	Statutory reserves		-	-
6,145	7,263	Retained earnings		7,648	6,530
12,575	15,693	TOTAL EQUITY		15,693	12,575
228,920	192,226	TOTAL LIABILITIES AND EQUITY		192,957	229,883
OFF-BALANCE SHEET ITEMS					
20,993	21,256	Contingent liabilities	26	21,156	20,893
4,685	4,583	Other commitments	27	4,671	4,839
		Accounting policies	1		
		Capital and capital adequacy	2		
		Core earnings and investment portfolio income	3		
		Business areas	4		
		Related party transactions and balances	28		
		Loans, advances, guarantees and provisions	29		
		Financial assets and liabilities at fair value (IFRS hierarchy)	30		
		Foreign exchange and interest rate exposures	31		
		Group structure	32		
		Nykredit Bank Group – six quarters	33		
		Nykredit Bank Group – financial highlights	34		
		Nykredit Bank A/S – financial highlights	35		

Statement of changes in equity for 1 January – 30 June

DKK million

Nykredit Bank A/S

	Share capital*	Statutory reserves	Retained earnings	Total
EQUITY, 30 JUNE 2015				
End of previous financial year	6,045	385	6,145	12,575
Total	6,045	385	6,145	12,575
Comprehensive income				
Profit for the period	-	-	1,118	1,118
Total comprehensive income	-	-	1,118	1,118
Capital increase	2,000			2,000
Total changes in equity	2,000	-	1,118	3,118
Equity, 30 June 2015	8,045	385	7,263	15,693
EQUITY, 30 JUNE 2014				
End of previous financial year	6,045	260	8,042	14,347
Total	6,045	260	8,042	14,347
Comprehensive income				
Profit for the period	-	-	152	152
Total comprehensive income	-	-	152	152
Total changes in equity	0	0	152	152
Equity, 30 June 2014	6,045	260	8,194	14,499

Statement of changes in equity for 1 January – 30 June

DKK million

Nykredit Bank Group

	Share capital*	Retained earnings	Total
EQUITY, 30 JUNE 2015			
End of previous financial year	6,045	6,530	12,575
Total	6,045	6,530	12,575
Comprehensive income			
Profit for the period		1,118	1,118
Total comprehensive income	-	1,118	1,118
Capital increase	2,000		2,000
Total changes in equity	2,000	1,118	3,118
Equity, 30 June 2015	8,045	7,648	15,693
EQUITY, 30 JUNE 2014			
End of previous financial year	6,045	8,303	14,348
Total	6,045	8,303	14,348
Comprehensive income			
Profit for the period	-	152	152
Total comprehensive income	-	152	152
Total changes in equity	-	152	152
Equity, 30 June 2014	6,045	8,455	14,500

* The share capital breaks down into 19 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 financial statements [in Danish] of Foreningen Nykredit may be obtained from the company.

Cash flow statement 1 January – 30 June

DKK million

	Nykredit Bank Group	
	Q2/2015	Q2/2014
Profit after tax for the period	1,118	152
Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions		
Depreciation and impairment losses for property, plant and equipment	8	4
Other non-cash changes	(7)	(8)
Impairment losses on loans, advances and receivables	(73)	55
Tax calculated on profit for the period	342	42
Total	270	93
Profit for the period adjusted for non-cash operating items	1,388	245
Change in working capital		
Loans, advances and other receivables	6,866	11,492
Deposits and other payables	(104)	(3,720)
Payables to credit institutions and central banks	(18,004)	7,351
Bonds at fair value	22,630	(17,406)
Equities	(46)	23
Other working capital	(15,518)	10,601
Total	(4,176)	8,341
Corporation tax paid, net	(10)	(5)
Cash flows from operating activities	(2,798)	8,581
Cash flows from investing activities		
Property, plant and equipment	4	(1)
Total	4	(1)
Cash flows from financing activities		
Capital increase	2,000	-
Subordinated debt	-	-
Bonds in issue	(1,198)	(4,126)
Total	802	(4,126)
Total cash flows	(1,992)	4,454
Cash and cash equivalents, beginning of period	33,885	23,173
Foreign currency translation adjustment of cash	61	163
Cash and cash equivalents, end of period	31,954	27,790
Cash and cash equivalents, end of period		
Specification of cash and cash equivalents, end of period:		
Cash balances and demand deposits with central banks	15,212	1,493
Receivables from credit institutions and central banks	16,742	26,297
Cash and cash equivalents, end of period	31,954	27,790

Notes

1. ACCOUNTING POLICIES

GENERAL

The Consolidated Financial Statements for H1/2015 are prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS but also a less detailed presentation relative to the annual report.

The Interim Financial Statements for H1/2015 of the Parent Company are prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (the Danish Executive Order on the Presentation of Financial Statements) issued by the Danish Financial Supervisory Authority (FSA).

New and amended standards, interpretations and reporting provisions

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

Compared with the information disclosed in the accounting policies of the Annual Report 2014 (note 1), no new reporting standards or interpretations have been issued or approved which influence the H1 Interim Report 2015 of Nykredit Bank A/S and the Nykredit Bank Group.

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

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

Notes

DKK million

	30.06.2015	31.12.2014	30.06.2014
2. CAPITAL AND CAPITAL ADEQUACY			
Nykredit Bank A/S			
Equity	15,693	12,575	14,500
Prudent valuation adjustment	(299)	(435)	(377)
Intangible assets	(43)	(54)	(21)
Deduction for difference between IRB losses and impairments	(50)	(41)	-
Common Equity Tier 1 capital deductions	(392)	(530)	(398)
Common Equity Tier 1 capital	15,301	12,045	14,102
Hybrid capital	100	100	250
Other deductions	(38)	(85)	(50)
Tier 1 capital	15,363	12,060	14,302
Provisions for expected losses in accordance with IRB approach	380	409	382
Transitional Tier 2 capital adjustment	(38)	(85)	0
Own funds	15,705	12,384	14,684
Credit risk	70,106	77,086	72,994
Market risk	10,244	12,417	14,075
Operational risk	4,046	4,361	4,361
Credit value adjustments (CVA)	1,297	1,041	-
Total risk exposure amount	85,693	94,905	91,430
Tier 1 capital ratio, %	17.9	12.7	15.6
Total capital ratio, %	18.3	13.0	16.0

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

Notes

DKK million

	30.06.2015	31.12.2014	30.06.2014
2. CAPITAL AND CAPITAL ADEQUACY (continued)			
Nykredit Bank Group			
Equity	15,693	12,575	14,500
Prudent valuation adjustment	(299)	(435)	(377)
Intangible assets	(43)	(54)	(21)
Deduction for difference between IRB losses and impairments	(34)	(41)	-
Common Equity Tier 1 capital deductions	(376)	(530)	(398)
Common Equity Tier 1 capital	15,317	12,045	14,102
Hybrid capital	100	100	250
Other deductions	(25)	(85)	(50)
Tier 1 capital	15,392	12,060	14,302
Provisions for expected losses in accordance with IRB approach	360	390	369
Transitional Tier 2 capital adjustment	(25)	(85)	-
Own funds	15,727	12,365	14,671
Credit risk	66,945	75,689	72,177
Market risk	10,244	12,417	14,075
Operational risk	4,640	4,904	4,904
Credit value adjustments (CVA)	1,297	1,041	-
Total risk exposure amount	83,126	94,051	91,156
Tier 1 capital ratio, %	18.5	12.8	15.6
Total capital ratio, %	18.9	13.1	16.0

Notes

DKK million

Nykredit Bank Group

3. CORE EARNINGS AND INVESTMENT PORTFOLIO INCOME	H1/2015			H1/2014		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
1 January – 30 June						
Net interest income	797	68	865	1,204	57	1,261
Dividend on equities	4		4	9	7	16
Fee and commission income, net	506		506	485	(2)	483
Net interest and fee income	1,307	68	1,375	1,698	62	1,760
Value adjustments	977	(23)	954	(467)	(16)	(483)
Other operating income	15		15	13	-	13
Staff and administrative expenses	932	0	932	1,019	-	1,019
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	8	0	8	4	-	4
Other operating expenses	33	0	33	34	-	34
Impairment losses on loans and advances	(89)	0	(89)	39	-	39
Profit before tax	1,415	45	1,460	148	46	194

Notes

DKK million

Nycredit Bank Group

4. BUSINESS AREAS

H1/2015	Retail	Wholesale	Group Items	Total
Core income from				
- customer activities, gross	494	1,331	16	1,841
- payment for distribution	295	(295)	0	-
Total business operations	789	1,036	16	1,841
- value adjustment of derivatives	250	204	-	454
- core income from securities			4	4
Total*	1,039	1,240	20	2,299
Operating costs	488	343	142	973
Core earnings before impairment losses	551	897	(122)	1,326
Impairment losses on loans and advances	(9)	(80)	0	(89)
Core earnings after impairment losses	560	977	(122)	1,415
Investment portfolio income ¹			45	45
Profit (loss) before tax for the period	560	977	(77)	1,460
* Of which transactions between business areas.	208	(253)	45	0
Operating costs as well as depreciation of property, plant and equipment and amortisation of intangible assets as % of core income from business operations	61.9	33.1	-	52.9
Average allocated business capital	5,401	6,680	796	12,877
Core earnings after impairment losses as % of allocated capital (pa)	41.5	58.5	-	44.0

H1/2014	Retail	Wholesale	Group Items	Total
Core income from				
- customer activities, gross	595	1,071	(1)	1,665
- payment for distribution	285	(285)	0	0
Total business operations	880	786	(1)	1,665
- value adjustment of derivatives	(538)	103	-	(435)
- core income from securities	-	-	14	14
Total*	342	889	13	1,244
Operating costs	490	409	158	1,057
Core earnings before impairment losses	(148)	480	(145)	187
Impairment losses on loans and advances	139	(103)	3	39
Core earnings after impairment losses	(287)	583	(148)	148
Investment portfolio income ¹	-	-	46	46
Profit (loss) before tax for the period	(287)	583	(102)	194
* Of which transactions between business areas.	280	(470)	190	0
Operating costs as well as depreciation of property, plant and equipment and amortisation of intangible assets as % of core income from business operations	55.7	52.0	-	63.5
Average allocated business capital	5,533	7,850	1,130	14,513
Core earnings after impairment losses as % of allocated capital (pa)	(10.4)	14.9	-	2.0

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

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
H1/2014	H1/2015	H1/2015	H1/2014
5. INTEREST INCOME			
21	2	2	21
1,175	1,042	1,099	1,225
567	343	346	569
(64)	(292)	(292)	(64)
	Of which		
7	98	98	7
(62)	(371)	(371)	(62)
(27)	(22)	(22)	(27)
18	3	3	18
10	0	0	11
1,709	1,095	1,155	1,762
Of which interest income from genuine purchase and resale transactions entered as			
16	0	0	16
96	9	9	96
5a. Negative interest			
	Interest income		
-	(16)	(16)	-
-	(48)	(48)	-
-	(64)	(64)	-
	Interest expenses		
-	(53)	(53)	-
-	(19)	(19)	-
-	(72)	(72)	-
-	8	8	-
6. INTEREST EXPENSES			
115	32	32	116
199	105	105	199
180	155	155	180
5	1	1	5
1	5	5	1
500	298	298	501
Of which interest expenses for genuine sale and repurchase transactions entered as			
70	6	6	70
31	2	2	31
7. VALUE ADJUSTMENTS			
0	(4)	(4)	0
(131)	40	38	(133)
69	83	83	69
62	189	189	62
(481)	648	648	(481)
(481)	956	954	(483)
Value adjustments mainly relate to financial assets, financial liabilities and derivative financial instruments included in the Bank's/Group's trading activities.			
No value adjustments have been made for own credit risk on bonds in issue or other financial liabilities.			

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
H1/2014	H1/2015	H1/2015	H1/2014
8. STAFF AND ADMINISTRATIVE EXPENSES			
5	10	10	5
376	297	354	427
540	524	568	587
921	831	932	1,019
Remuneration of Board of Directors and Executive Board			
Board of Directors			
0	0	0	0
Remuneration Staff-elected board representatives each receive annual remuneration of DKK 60,000. No additional remuneration is paid to the Board of Directors.			
Executive Board			
5	4	4	5
-	6	6	-
5	10	10	5
The terms and conditions governing the remuneration and pensions of the Executive Board have not changed since the Annual Report 2014, to which reference is made.			
Staff expenses			
302	239	286	344
29	24	29	33
45	34	39	50
376	297	354	427
712	608	761	852
9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
Specification of impairment provisions			
3,352	3,080	3,127	3,398
23	23	23	23
344	168	170	344
3,719	3,271	3,320	3,765
Individual impairment provisions for loans, advances and receivables			
3,563	3,006	3,051	3,605
297	440	454	314
260	207	218	271
248	159	160	250
3,352	3,080	3,127	3,398
Individual impairment provisions for receivables from credit institutions			
19	23	23	19
4	0	0	4
23	23	23	23
Collective impairment provisions			
369	507	509	369
(25)	(339)	(339)	(25)
344	168	170	344

Notes

DKK million

Nykredit Bank A/S				Nykredit Bank Group	
H1/2014	H1/2015			H1/2015	H1/2014
9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)					
Earnings impact					
16	(106)	Change in provisions for loan and receivable impairment		(103)	22
22	28	Write-offs for the period, net		30	26
16	16	Recoveries on claims previously written off		16	16
22	(94)	Total impairment losses		(89)	32
7	0	Provisions for guarantees		0	7
29	(94)	Total		(89)	39
54	245	Of which individual impairment provisions		250	64
(25)	(339)	Of which collective impairment provisions		(339)	(25)
4	0	Of which credit institutions		0	4
Receivables from credit institutions with objective evidence of impairment					
25	25	Receivables subject to individual impairment provisioning		25	25
23	23	Impairment provisions		23	23
2	2	Carrying amount		2	2
Loans and advances with objective evidence of impairment					
5,401	4,678	Loans and advances at amortised cost subject to individual impairment provisioning		4,805	5,537
3,352	3,080	Impairment provisions		3,127	3,398
2,049	1,598	Carrying amount		1,678	2,139
43,990	46,731	Loans and advances at amortised cost subject to collective impairment provisioning		47,933	45,114
344	168	Impairment provisions		170	344
43,646	46,563	Carrying amount		47,763	44,770
10. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES					
52	73	Profit from investments in group enterprises		-	-
-	-	Profit from investments in associates		-	-
52	73	Total		-	-
11. TAX					
26	322	Tax for the period		342	42
26	322	Total		342	42
(2)	0	Of which effect due to change in future tax level (deferred tax)		0	(2)
14.6	22.4	Tax on profit for the period, %		23.4	21.6
Tax is calculated on the basis of a tax rate of 23.5% for 2015. Due to a change in the tax rate from 25% in 2013 to 22% in 2016, the calculation of the Bank's deferred tax is based on an estimate of when the deferred tax is expected to become current tax/the deferred tax assets is expected to be realised.					
The full-year tax rate is expected to be around 22-24%.					

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	30.06.2015		30.06.2015	31.12.2014
12. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
8,746	5,000	Receivables at call from central banks	5,000	8,746
20,721	11,741	Receivables from credit institutions	11,742	20,722
29,467	16,741	Total	16,742	29,468
6,663	4,874	Of which genuine purchase and resale transactions	4,874	6,663
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE				
35,228	29,765	Genuine purchase and resale transactions	29,765	35,228
35,228	29,765	Total	29,765	35,228
14. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST				
49,024	48,162	Loans and advances at amortised cost	49,441	50,494
49,024	48,162	Total	49,441	50,494
15. BONDS AT FAIR VALUE				
49,300	38,840	Covered bonds (realkreditobligationer, ROs)	39,230	49,647
8,079	1,116	Government bonds	1,116	8,079
9,337	6,656	Other bonds	6,656	9,337
66,716	46,612	Total	47,002	67,063
2,091	3,281	Self-issued bonds offset against bonds in issue	3,281	2,091
64,625	43,331	Total	43,721	64,972
The effect of fair value adjustment was recognised in the income statement.				
3,123	5,794	Of which redeemed bonds	5,794	3,123
25,558	11,735	Assets sold as part of genuine sale and repurchase transactions	11,735	25,558
16,462	5,600	As collateral for the Danish central bank, Danmarks Nationalbank, and foreign clearing centres, etc, bonds have been deposited of a total market value of	5,600	16,462
The collateral was provided on an arm's length basis.				

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	30.06.2015		30.06.2015	31.12.2014
16. EQUITIES				
122	210	Listed on Nasdaq Copenhagen	211	123
9	7	Listed on other stock exchanges	7	9
210	170	Unlisted equities carried at fair value	170	210
341	387	Total	388	342
17. ASSETS IN TEMPORARY POSSESSION				
79	47	Assets, beginning of year	47	212
6	1	Additions	1	6
38	7	Disposals	7	171
47	41	Total	41	47
<p>At 31 December 2014 and 30 June 2015, assets in temporary possession comprised acquired properties and shares in a property company.</p> <p>Nykredit Bank accepts mortgages over real estate as security for loans. In a number of instances, the Bank acquires the properties in the event of borrowers' non-performance of loan agreements etc.</p> <p>The valuation of assets in temporary possession is based on the expected sales values in case of disposal within a period of 12 months.</p>				
18. OTHER ASSETS				
3,509	2,384	Interest and commission receivable	2,414	3,539
39,078	32,190	Positive market value of derivative financial instruments	32,190	39,078
1,582	2,654	Other	2,659	1,589
44,169	37,228	Total	37,263	44,206
19. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS				
3,441	3,659	Payables to central banks	3,659	3,441
59,690	41,494	Payables to credit institutions	42,034	60,435
63,131	45,153	Total	45,693	63,876
11,723	7,901	Of which genuine sale and repurchase transactions	7,901	11,723
20. DEPOSITS AND OTHER PAYABLES				
45,969	52,003	On demand	51,876	45,879
5,306	3,088	At notice	3,088	5,306
11,142	8,027	Time deposits	8,027	11,142
3,023	3,065	Special deposits	3,065	3,023
65,440	66,183	Total	66,056	65,350
Deposit surplus				
65,440	66,183	Deposits and other payables at amortised cost	66,056	65,350
49,024	48,162	Loans, advances and other receivables at amortised cost	49,441	50,494
16,416	18,021	Total	16,615	14,856
13,855	3,453	Deposits attributable to genuine sale and repurchase transactions in "Other non-derivative financial liabilities at fair value"	3,453	13,855

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	30.06.2015		30.06.2015	31.12.2014
21. BONDS IN ISSUE AT AMORTISED COST				
Issues				
17,858	19,578	EMTN issues*	19,578	17,858
10,107	9,124	ECP issues*	9,124	10,107
7	342	Other issues*	342	7
27,972	29,044	Total	29,044	27,972
2,091	3,281	Own portfolio	3,281	2,091
25,881	25,763	Total	25,763	25,881
No value adjustments have been made that can be attributed to changes in own credit risk.				
* Listed on Nasdaq Copenhagen or the Luxembourg Stock Exchange.				
22. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE				
13,855	3,453	Deposits at fair value	3,453	13,855
6,088	4,718	Negative securities portfolios	4,718	6,088
19,943	8,171	Total	8,171	19,943
13,855	3,453	Of "Deposits at fair value", genuine sale and repurchase transactions total	3,453	13,855
23. OTHER LIABILITIES				
3,663	2,812	Interest and commission payable	2,813	3,663
37,474	27,719	Negative market value of derivative financial instruments	27,719	37,474
494	451	Other payables	719	743
41,631	30,982	Total	31,251	41,880

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
31.12.2014	30.06.2015	30.06.2015	31.12.2014
24. PROVISIONS			
Provisions for losses under guarantees			
103	106	106	103
32	4	4	32
28	4	4	28
1	0	0	1
106	106	106	106
Other provisions			
69	83	83	69
28	15	15	28
-	18	18	-
14	37	37	14
83	43	43	83
Total provisions for losses under guarantees and other provisions			
172	189	189	172
60	19	19	60
28	22	22	28
15	37	37	15
189	149	149	189
<p>As a result of its operations, the Bank continuously enters into contracts where it is probable that the settlement of the liability will lead to an outflow of the Bank's financial resources, and where a reliable estimate may be made of the size of the liability.</p> <p>The balance sheet items in the financial statements represent the Bank's best estimates of the expected costs relating to provisions.</p> <p>The provisions typically concern contractual obligations relating to loans and advances and other banking activities.</p> <p>It is estimated that the majority of provisions will be settled within 1-2 years.</p>			
25. SUBORDINATED DEBT			
Subordinated debt consists of financial liabilities in the form of 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
100	100	100	100
Included in the determination of own funds			
100	100	100	100
-	-	-	-
No value adjustments have been made that can be attributed to changes in own credit risk.			

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	30.06.2015		30.06.2015	31.12.2014
		26. CONTINGENT LIABILITIES		
15,206	14,240	Financial guarantees	14,240	15,206
1,279	1,288	Registration and refinancing guarantees	1,288	1,279
4,508	5,728	Other contingent liabilities	5,628	4,408
20,993	21,256	Total	21,156	20,893

OTHER CONTINGENT LIABILITIES**Legal proceedings**

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

Bankernes EDB Central (BEC)

BEC is one of Nykredit Bank's IT providers. According to BEC's articles of association, Nykredit Bank may terminate its membership of BEC giving five years' notice to expire at the end of a financial year. Should the membership terminate for other reasons related to Nykredit Bank, compensation will be payable to BEC as defined in BEC's articles of association. If a bank merges and ceases being an independent bank, the BEC membership terminates without notice or subject to a transitional scheme.

The Guarantee Fund and the Resolution Fund

Nykredit participates in the mandatory Danish deposit guarantee scheme.

A new scheme has been introduced in 2015, as the Danish Guarantee Fund took over the activities and assets of the Danish Guarantee Fund for Depositors and Investors on 1 June 2015. The purpose of the Danish Guarantee Fund is to provide cover for depositors and investors in distressed institutions included in the Fund's scheme. The scheme includes both natural and legal persons, and deposits are covered by an amount equivalent to EUR 100,000 per depositor and EUR 20,000 per investor.

The Resolution Fund scheme, which is a resolution finance scheme, was also established on 1 June 2015. The Resolution Fund is financed by annual contributions from participating banks, mortgage lenders and investment companies and, as from 31 December 2024, the assets of the scheme must make up 1% of the sector's covered deposits.

Participating institutions pay an annual amount to cover any losses incurred by the Resolution Fund in connection with the resolution of distressed institutions.

Joint taxation

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

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2014	30.06.2015		30.06.2015	31.12.2014
27. OTHER COMMITMENTS				
4,508	4,401	Irrevocable credit commitments	4,401	4,508
177	182	Other	270	331
4,685	4,583	Total	4,671	4,839

28. RELATED PARTY TRANSACTIONS AND BALANCES

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

No unusual related party transactions occurred in 2014 or in H1/2015.

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

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

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

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

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

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

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

Notes

DKK million

Nykkredit Bank Group

29. LOANS, ADVANCES, GUARANTEES AND PROVISIONS

Loans, advances, guarantees and provisions by sector

30 June 2015

	Loans and advances	Carrying amount		Proportion, %	Individual and other provisions	Provisions		Total
		Guarantees	Total loans, advances and guarantees			Collective Impairment provisions		
Public sector	167	642	809	0.8	0	0	0	0
Commercial customers								
Agriculture, hunting, forestry and fishing	1,737	934	2,671	2.7	92	9	101	
Manufacturing, mining and quarrying	5,367	317	5,684	5.7	224	3	227	
Energy supply	817	34	851	0.8	9	0	9	
Construction	1,496	562	2,058	2.1	230	2	232	
Trading	2,492	457	2,949	2.9	101	5	106	
Transport, accommodation and food service activities	2,575	656	3,231	3.2	115	2	117	
Information and communication	935	152	1,087	1.1	59	1	60	
Finance and insurance	33,652	1,727	35,379	35.3	262	1	263	
Real estate	9,827	2,595	12,422	12.4	1,329	72	1,401	
Other	7,975	1,651	9,626	9.6	281	8	289	
Total commercial customers	66,873	9,085	75,958	75.7	2,702	103	2,805	
Personal customers	12,166	11,429	23,595	23.5	531	67	598	
Total	79,206	21,156	100,362	100.0	3,233	170	3,403	
Of which reverse repurchase lending (loans and advances at fair value)	29,765	-	29,765	29.7	-	-	-	

31 December 2014

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

Provisioning rate, %

	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014	Q4/2013
Group							
Total loans and advances	79,206	78,973	85,722	88,438	92,236	83,909	103,838
Total guarantees	21,156	20,320	20,893	13,801	12,028	12,306	11,620
Impairment provisions for loans and advances at amortised cost	3,297	3,482	3,560	3,706	3,742	3,820	3,975
Provisions for guarantees	106	106	106	116	110	113	103
Total loans, advances, guarantees and provisions	103,765	102,881	110,281	106,061	108,116	100,148	119,536
Provisioning rate, %	3.3	3.5	3.3	3.6	3.6	3.9	3.4
Provisioning rate excluding guarantees, %	4.0	4.2	4.0	4.0	3.9	4.4	3.7

Notes

DKK million

Nycredit Bank Group

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

30 June 2015

	Listed prices	Observable inputs	Unobservable inputs	Fair value total
Assets				
Recognised in the trading book:				
- reverse repurchase lending to credit institutions and central banks		4,874		4,874
- other reverse repurchase lending		29,765		29,765
- bonds at fair value	37,462	6,259		43,721
- equities measured at fair value through profit or loss	250		138	388
- positive fair value of derivative financial instruments	1,363	29,951	876	32,190
Fair value, 30 June 2015, assets	39,075	70,849	1,014	110,938
Percentage	35.2	63.9	0.9	100

Liabilities:

Recognised in the trading book:

- repo transactions with credit institutions and central banks		7,901		7,901
- other non-derivative financial liabilities at fair value	4,718	3,453		8,171
- negative fair value of derivative financial instruments	1,755	26,165	399	27,719
Fair value, 30 June 2015, liabilities	5,873	37,519	399	43,791
Percentage	13.4	85.7	0.9	100

Assets and liabilities measured on the basis of unobservable inputs

	Bonds	Equities	Derivatives	Total
Fair value, beginning of period, assets		169	1,312	1,481
Transferred from Listed prices and Observable inputs			162	162
Transferred to Listed prices and Observable inputs			(87)	(87)
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement		6	(511)	(505)
Realised capital gains and losses recognised in "Value adjustments" in the income statement		6		6
Purchases for the period				-
Sales for the period		(43)		(43)
Redemptions for the period				-
Fair value, 30 June 2015, assets		138	876	1,014
Fair value, beginning of period, liabilities			297	297
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement			102	102
Realised capital gains and losses recognised in "Value adjustments" in the income statement				-
Redemptions for the period				-
Fair value, 30 June 2015, liabilities			399	399

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

For 2015 unrealised negative value adjustments of DKK 564m relating to the portfolio of financial instruments measured on the basis of unobservable inputs were recognised in the income statement at 30 June 2015.

Notes

DKK million

Nycredit Bank Group

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

31 December 2014

	Listed prices	Observable inputs	Unobservable inputs	Fair value total
Assets				
Recognised in the trading book:				
- reverse repurchase lending to credit institutions and central banks		6,663		6,663
- other reverse repurchase lending		35,228		35,228
- bonds at fair value	59,802	5,170		64,972
- equities measured at fair value through profit or loss	173		169	342
- positive fair value of derivative financial instruments	1,170	36,596	1,312	39,078
Fair value, 31 December 2014, assets	61,145	83,657	1,481	146,283
Percentage	41.8	57.2	1.0	100.0
Liabilities:				
Recognised in the trading book:				
- repo transactions with credit institutions and central banks		11,723		11,723
- other non-derivative financial liabilities at fair value	6,088	13,855		19,943
- negative fair value of derivative financial instruments	1,100	36,077	297	37,474
Fair value, 31 December 2014, liabilities	7,188	61,655	297	69,140
Percentage	10.4	89.2	0.4	100.0
Financial instruments measured on the basis of unobservable inputs				
	Bonds	Equities	Derivatives	Total
Fair value, beginning of period, assets		118	1,294	1,412
Transferred from Listed prices and Observable inputs		0	3,442	3,442
Transferred to Listed prices and Observable inputs		0	(1,147)	(1,147)
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement		24	(2,275)	(2,251)
Realised capital gains and losses recognised in "Value adjustments" in the income statement		17	0	17
Purchases for the period		61	0	61
Sales for the period		(51)	0	(51)
Redemptions for the period			(2)	(2)
Fair value, 31 December 2014, assets		169	1,312	1,481
Fair value, beginning of period, liabilities			242	242
Unrealised capital gains and losses recognised in "Value adjustments" in the income statement			148	148
Realised capital gains and losses recognised in "Value adjustments" in the income statement			0	0
Redemptions for the period			(93)	(93)
Fair value, 31 December 2014, liabilities			297	297

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

For 2014 unrealised negative value adjustments of DKK 2,557m relating to the portfolio of financial instruments measured on the basis of unobservable inputs were recognised in the income statement at 31 December 2014.

Notes

Nykredit Bank Group

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

Listed prices

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

Observable inputs

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

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

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

Further, the valuation of derivatives implies the use of so-called Credit Value Adjustment (CVA), thus including counterparty credit risk in the valuation. The CVA, comprising DKK 144m of the positive market value of the derivatives, is primarily based on external credit curves such as Itraxx Main, but also on own data as regards customers without OEI in the lowest rating categories, as there are no available external curves suitable for calculation of credit risk on these customers. Upon entering into financial derivatives contracts, further provisions are made in the form of a so-called minimum margin for liquidity, credit risk and return on capital. The minimum margin is amortised at valuation of derivatives over the times-to maturity. At 30 June 2015, the non-amortised minimum margin amounted to DKK 441m compared with DKK 470m at end-2014. Finally, in some instances further value adjustment based on management judgement is made if the models do not take into account all known risks, including eg legal risks.

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

Unobservable inputs

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

The positive market values of individual product types/customer groups, including housing cooperatives, have been adjusted for increased credit risk by means of management judgement. Interest rate swaps which have been fair value adjusted to DKK 0 (after deduction for collateral) due to the creditworthiness of the counterparty are also included in the category Unobservable inputs. Following value adjustment, the fair value came to DKK 520m at 30 June 2015 and thus represents the majority of derivatives with positive market values in this category. Credit value adjustments came to DKK 4,481m at 30 June 2015 (end-2014: DKK 4,832m).

The interest rate risk on these interest rate swaps is hedged in all material respects. However, interest rate fluctuations may impact results to the extent that the market value is adjusted due to increased counterparty credit risk. A 0.1 percentage point change in interest rate levels will impact the fair value by around +/- DKK 163m.

However, financial assets measured on the basis of unobservable inputs account for a very limited part of total financial assets at fair value. At 30 June 2015, the proportion was 0.9% against 1.0% at end-2014. The proportion of financial liabilities was 0.9% against 0.4% at end-2014.

Valuation, notably of instruments classified as unobservable inputs, is subject to some uncertainty. Of total assets and liabilities, DKK 1.0bn (end-2014: DKK 1.5bn) and DKK 0.4bn (end-2014: DKK 0.3bn), respectively, were attributable to this category. Assuming that an actual market price will deviate by +/- 10% from the calculated fair value, the earnings impact will be DKK 141m in 2015 (0.9% of equity at 30 June 2015). The earnings impact for 2014 was estimated at DKK 178m (1.41% of equity at 31 December 2014).

Transfers between the categories Listed prices, Observable inputs and Unobservable inputs are made when an instrument is classified differently on the balance sheet date than at the beginning of the financial year. In 2015 and 2014, transfers between the categories Observable inputs and Unobservable inputs mainly resulted from changes to the rating categories (credit risk) of counterparties and in all material respects concerned interest rate swaps. Transfers between the categories Listed prices and Observable inputs in all material respects resulted from redeemed bonds that were reclassified on redemption and came to DKK 5.8bn at 30 June 2015.

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
30.06.2014	30.06.2015	30.06.2015	30.06.2014
31. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES			
Foreign exchange risk			
41	15	15	41
0.3	0.1	0.1	0.3
0	0	0	0
0.0	0.0	0.0	0.0
Interest rate risk by the currency involving the highest interest rate exposure			
423	128	132	424
(395)	(87)	(87)	(395)
(26)	5	5	(26)
(3)	(3)	(3)	(3)
(17)	(18)	(18)	(17)
13	5	5	13
2	(1)	(1)	2
(3)	29	33	(2)

Notes

DKK million

32. GROUP STRUCTURE

	Ownership interest as %, 30 June 2015	Profit for the period	Equity, 30 June 2015	Profit (loss) for 2014	Equity, 31 December 2014	Number of staff
Name and registered office						
Nykredit Bank A/S (Parent Company), Copenhagen, a)	-	1,118	15,693	(1,772)	12,575	608
Consolidated subsidiaries						
Nykredit Portefølje Administration A/S, Copenhagen, d)	100	42	440	75	398	105
Nykredit Leasing A/S, Gladsaxe, c)	100	30	486	50	456	48
Associates						
Dansk Pantebrevsbørs A/S, Copenhagen, b) The company is subject to bankruptcy proceedings.	50	-	-	-	-	-

	Number of staff	Revenue**	Profit before tax	Tax	Government aid received
Geographical distribution of activities					
Denmark: Companies and activities appear from the group structure	761	1,922	1,460	342	-
Sweden: Nykredit Bank A/S, branch*		0	0	0	-

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

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

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

The subsidiaries Nykredit Pantebrevsinvestering A/S and FB Ejendomme A/S were both dissolved as at 30 June 2015.

Subsidiaries in temporary possession

The property group Kalvebod III has been included in the balance sheet items "Assets in temporary possession" and "Other liabilities". At 30 June 2015, the property group comprised a number of subsidiaries without activities.

Notes

DKK million

	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
33. NYKREDIT BANK GROUP – SIX QUARTERS						
SUMMARY INCOME STATEMENT						
Net interest income	413	452	593	614	631	630
Dividend on equities and fee and commission income, net	254	256	190	216	272	227
Net interest and fee income	667	708	783	830	903	857
Value adjustments	1,674	(720)	(1,475)	(1,558)	(185)	(298)
Other operating income	8	7	3	10	6	7
Staff and administrative expenses	453	479	438	471	511	508
Other operating expenses, depreciation and amortisation	18	23	47	22	19	19
Impairment losses on loans, advances and receivables	(70)	(19)	100	80	(1)	40
Profit (loss) from investments in associates and group enterprises	-	-	-	-	-	-
Profit (loss) before tax	1,948	(488)	(1,274)	(1,291)	195	(1)
Tax	455	(113)	(328)	(313)	33	9
Profit (loss) for the period	1,493	(375)	(946)	(978)	162	(10)
Comprehensive income						
Other comprehensive income	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income	1,493	(375)	(946)	(978)	162	(10)
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balances and receivables from central banks and credit institutions	31,954	42,699	33,885	22,292	27,790	29,389
Loans, advances and other receivables at fair value	29,765	29,569	35,228	40,137	45,328	35,831
Loans, advances and other receivables at amortised cost	49,441	49,404	50,494	48,301	46,908	48,078
Bonds at fair value	43,721	43,603	64,972	78,276	79,635	82,114
Equities	388	411	342	340	333	357
Remaining assets	37,688	53,365	44,962	41,151	36,906	33,102
Total assets	192,957	219,051	229,883	230,497	236,900	228,871
Liabilities and equity						
Payables to credit institutions and central banks	45,693	61,649	63,876	60,370	63,306	58,492
Deposits and other payables	66,056	67,832	65,350	60,478	61,918	68,694
Bonds in issue	25,763	24,427	25,881	24,423	22,565	23,849
Other non-derivative financial liabilities at fair value	8,171	4,930	19,943	33,451	40,857	33,108
Remaining payables	31,286	45,687	41,913	37,913	33,268	29,894
Total payables	176,969	204,525	216,963	216,635	221,914	214,037
Provisions	195	226	245	240	236	247
Subordinated debt	100	100	100	100	250	250
Equity	15,693	14,200	12,575	13,522	14,500	14,337
Total liabilities and equity	192,957	219,051	229,883	230,497	236,900	228,871
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	21,156	20,320	20,893	13,801	12,028	12,306
Other commitments	4,671	4,632	4,839	5,472	6,536	6,734
FINANCIAL HIGHLIGHTS						
Total capital ratio, %	18.9	15.6	13.1	14.7	16.0	16.1
Tier 1 capital ratio, %	18.5	15.1	12.8	14.3	15.6	15.7
Return on equity before tax pa, %	52.1	(14.6)	(39.1)	(36.9)	5.4	0.0
Return on equity after tax pa, %	40.0	(11.2)	(29.0)	(27.9)	4.5	(0.3)

Notes

DKK million

	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
33. NYKREDIT BANK GROUP – SIX QUARTERS (continued)						
Summary core earnings and investment portfolio income						
Core income from business operations	837	1,004	686	822	885	780
Value adjustment of derivatives	1,515	(1,061)	(1,369)	(1,558)	(205)	(230)
Core income from securities	1	3	8	7	7	7
Total core income	2,353	(54)	(675)	(729)	687	557
Operating costs and depreciation of equipment	474	502	456	494	530	527
Provisions for reorganisation costs	(3)		28			
Profit (loss) from investments in associates and group enterprises	-	-	-	-	-	-
Core earnings before impairment losses	1,882	(556)	(1,159)	(1,223)	157	30
Impairment losses on loans and advances	(70)	(19)	100	80	(1)	40
Core earnings after impairment losses	1,952	(537)	(1,259)	(1,303)	158	(10)
Investment portfolio income	(4)	49	(15)	12	37	9
Profit (loss) before tax	1,948	(488)	(1,274)	(1,291)	195	(1)
Tax	455	(113)	(328)	(313)	33	9
Profit (loss) for the period	1,493	(375)	(946)	(978)	162	(10)
Profit (loss) before tax, year-to-date	1,460	(488)	(2,371)	(1,097)	194	(1)

Notes

DKK million

	H1/2015	FY 2014	H1/2014	H1/2013	H1/2012	H1/2011
34. NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS						
SUMMARY INCOME STATEMENT AND COMPREHENSIVE INCOME						
Net interest and fee income	1,375	3,373	1,760	1,560	1,473	1,660
Value adjustments	954	(3,516)	(483)	156	(16)	(56)
Other operating income	15	26	13	16	14	14
Staff and administrative expenses	932	1,928	1,019	978	911	880
Other operating expenses, depreciation and amortisation	41	107	38	41	10	92
Impairment losses on loans, advances and receivables	(89)	219	39	166	248	201
Profit from investments in associates and group enterprises	-	-	-	30	-	-
Profit (loss) before tax	1,460	(2,371)	194	577	302	445
Tax	342	(599)	42	146	72	115
Profit (loss) for the period	1,118	(1,772)	152	431	230	330
Comprehensive income						
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	1,118	(1,772)	152	431	230	330
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balances and receivables from central banks and credit institutions	31,954	33,885	27,790	27,853	44,545	25,418
Loans, advances and other receivables at fair value	29,765	35,228	45,328	48,797	32,106	16,409
Loans, advances and other receivables at amortised cost	49,441	50,494	46,908	50,424	55,318	57,541
Bonds at fair value and equities	44,109	65,314	79,968	80,313	72,839	56,836
Remaining assets	37,688	44,962	36,906	44,638	48,531	25,885
Total assets	192,957	229,883	236,900	252,025	253,339	182,089
Liabilities and equity						
Payables to credit institutions and central banks	45,693	63,876	63,306	61,393	66,191	37,647
Deposits and other payables	66,056	65,350	61,918	63,407	55,446	52,107
Bonds in issue at amortised cost	25,763	25,881	22,565	26,754	27,385	26,113
Other non-derivative financial liabilities at fair value	8,171	19,943	40,857	43,258	39,656	25,336
Remaining payables	31,286	41,913	33,268	41,987	49,778	25,766
Total debt	176,969	216,963	221,914	236,799	238,456	166,969
Provisions	195	245	236	275	201	255
Subordinated debt	100	100	250	250	250	766
Equity	15,693	12,575	14,500	14,701	14,432	14,099
Total liabilities and equity	192,957	229,883	236,900	252,025	253,339	182,089
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	21,156	20,893	12,028	10,706	12,366	9,229
Other commitments	4,671	4,839	6,536	6,990	7,766	6,617

Notes

DKK million

	H1/2015	FY 2014	H1/2014	H1/2013	H1/2012	H1/2011
34. NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS (continued)						
FINANCIAL HIGHLIGHTS						
Total capital ratio, %	18.9	13.1	16.0	21.9	19.8	18.5
Tier 1 capital ratio, %	18.5	12.8	15.6	21.9	19.8	17.9
Return on equity before tax, %	10.3	(17.6)	1.3	4.0	2.1	3.2
Return on equity after tax, %	7.9	(13.2)	1.1	3.0	1.6	2.4
Income:cost ratio	2.65	(0.05)	1.18	1.49	1.26	1.38
Interest rate exposure, %	0.2	0.6	0.0	1.0	0.6	0.5
Foreign exchange position, %	0.1	0.4	0.3	1.0	2.3	0.2
Foreign exchange exposure, %	0.0	0.0	0.0	0.0	0.0	0.0
Loans and advances:deposits	1.2	1.3	1.6	1.6	1.6	1.5
Loans and advances:equity	5.0	6.8	6.4	6.7	6.1	5.2
Growth in loans and advances excl repo transactions for the period, %	5.1	7.4	(0.2)	1.2	(1.0)	(2.6)
Excess coverage:statutory liquidity requirements, %	306.5	281.7	219.3	201.6	152.9	198.7
Total large exposures, %	24.2	34.5	14.0	12.5	0.0	10.8
Impairment losses for the period, %	(0.1)	0.2	0.0	0.1	0.2	0.2
Average number of staff, full-time equivalents	761	820	852	858	850	801
Return on capital employed, %	0.6	(0.8)	0.1	0.2	0.1	0.2

Notes

DKK million

	H1/2015	FY 2014	H1/2014	H1/2013	H1/2012	H1/2011
35. NYKREDIT BANK A/S – FINANCIAL HIGHLIGHTS						
SUMMARY INCOME STATEMENT AND COMPREHENSIVE INCOME						
Net interest and fee income	1,187	3,026	1,594	1,404	1,344	1,561
Value adjustments	956	(3,511)	(481)	158	(15)	(54)
Other operating income	0	1	0	0	1	4
Staff and administrative expenses	831	1,733	921	881	842	812
Other operating expenses, depreciation and amortisation	39	104	37	38	6	88
Impairment losses on loans, advances and receivables	(94)	201	29	153	234	186
Profit from investments in associates and group enterprises	73	125	52	75	41	15
Profit (loss) before tax	1,440	(2,397)	178	565	289	440
Tax	322	(625)	26	134	59	110
Profit (loss) for the period	1,118	(1,772)	152	431	230	330
Comprehensive income						
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	1,118	(1,772)	152	431	230	330
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balances and receivables from central banks and credit institutions	31,953	33,884	27,789	27,853	44,545	25,418
Loans, advances and other receivables at fair value	29,765	35,228	45,328	48,797	32,106	16,409
Loans, advances and other receivables at amortised cost	48,162	49,024	45,694	50,236	54,965	57,286
Bonds at fair value and equities	43,718	64,966	79,675	80,112	72,670	56,676
Remaining assets	38,628	45,818	37,449	44,214	48,947	26,294
Total assets	192,226	228,920	235,935	251,212	253,233	182,083
Liabilities and equity						
Payables to credit institutions and central banks	45,153	63,131	62,561	61,393	66,151	37,647
Deposits and other payables	66,183	65,440	62,006	63,502	55,534	52,213
Bonds in issue at amortised cost	25,763	25,881	22,565	26,754	27,385	26,113
Other non-derivative financial liabilities at fair value	8,171	19,943	40,857	43,258	39,656	25,336
Remaining payables	31,014	41,661	33,017	41,143	49,624	25,654
Total payables	176,284	216,056	221,006	236,050	238,350	166,963
Provisions	149	189	179	211	201	255
Subordinated debt	100	100	250	250	250	766
Equity	15,693	12,575	14,500	14,701	14,432	14,099
Total liabilities and equity	192,226	228,920	235,935	251,212	253,233	182,083
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	21,256	20,993	12,128	10,706	12,366	9,229
Other commitments	4,583	4,685	6,341	6,762	7,646	6,516

Notes

DKK million

	H1/2015	FY 2014	H1/2014	H1/2013	H1/2012	H1/2011
35. NYKREDIT BANK A/S – FINANCIAL HIGHLIGHTS (continued)						
FINANCIAL HIGHLIGHTS						
Total capital ratio, %	18.3	13.0	16.0	21.9	19.6	18.4
Tier 1 capital ratio, %	17.9	12.7	15.6	21.9	19.6	17.7
Return on equity before tax, %	10.2	(17.8)	1.2	3.9	2.0	3.2
Return on equity after tax, %	7.9	(13.2)	1.1	3.0	1.6	2.4
Income:cost ratio	2.86	(0.18)	1.18	1.53	1.27	1.41
Interest rate exposure, %	0.2	0.6	0.0	1.0	0.6	0.5
Foreign exchange position, %	0.1	0.4	0.3	0.0	2.4	0.0
Foreign exchange exposure, %	0.0	0.0	0.0	0.0	0.0	0.0
Loans and advances:deposits	1.2	1.3	1.5	1.6	1.6	1.5
Loans and advances:equity	5.0	6.7	6.3	6.7	6.0	5.2
Growth in loans and advances excl repo transactions for the period, %	(1.8)	6.8	(0.5)	1.2	(1.2)	(2.6)
Excess coverage:statutory liquidity requirements, %	305.8	281.6	220.4	201.8	152.3	197.7
Total large exposures, %	24.3	34.5	14.0	12.5	0.0	10.8
Impairment losses for the period, %	(0.1)	0.2	0.0	0.1	0.2	0.2
Average number of staff, full-time equivalents	608	672	712	717	723	687
Return on capital employed, %	0.6	(0.8)	0.1	0.2	0.1	0.2

Financial ratios, definitions

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

The financial ratios, excluding the total capital ratio and the Tier 1 capital ratio (cf note 2), and operating costs, excluding impairment losses as % of core income from business operations, have been calculated in accordance with the Danish FSA's guidelines for reporting purposes. The financial ratios "Core Tier 1 capital ratio" and "Growth in loans and advances including repo transactions 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.