

To NASDAQ OMX Copenhagen A/S
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NYKREDIT BANK A/S – A SUBSIDIARY OF NYKREDIT REALKREDIT A/S CONSOLIDATED IN THE NYKREDIT GROUP FINANCIAL STATEMENTS

INTERIM REPORT FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2014

- The Nykredit Bank Group recorded a loss before tax of DKK 1,097m against a profit of DKK 85m in Q1-Q3/2013. Excluding value adjustment of interest rate swaps, results before tax went up by DKK 242m from DKK 654m to DKK 896m.
- Core income from business operations increased by 1.5% from DKK 2,451m to DKK 2,487m.

The development partly resulted from increased earnings in Retail, while earnings from bond trading were still affected by low trading activity.

- Operating costs amounted to DKK 1,551m against DKK 1,530m in Q1-Q3/2013. Costs as a percentage of core income from business operations were unchanged at 62.4% compared with Q1-Q3/2013.
- Value adjustment of interest rate swaps totalled a charge of DKK 1,993m, of which DKK 632m was an effect of interest rate falls. Other value adjustment of just below DKK 1.4bn derived from a more conservative assessment of our customers' financial outlook. This should be seen in the context of expectations of continued low growth, inflation and interest rates in Europe.
- Impairment losses on loans and advances reduced by DKK 210m to DKK 119m from DKK 329m in Q1-Q3/2013, equal to almost 0.1% of loans and advances for the period compared with 0.3% in Q1-Q3/2013.
- The balance sheet stood at DKK 230bn compared with DKK 224bn at end-2013.

LIQUIDITY

- Excess coverage relative to statutory liquidity requirements was 237.7%, and the Bank had a deposit surplus of DKK 12.2bn.
- The Bank's liquidity coverage ratio (LCR) came to 105% according to the future LCR rules.

OWN FUNDS

- Equity stood at DKK 13.5bn at 30 September 2014.
- The total capital ratio and the Tier 1 capital ratio came to 14.7% and 14.3%, respectively. The Common Equity Tier 1 (CET1) capital ratio (core Tier 1 capital ratio) was 14.2%.
- The internal capital adequacy requirement (ICAAP) was 11.7%.

ABOUT NYKREDIT BANK GROUP

The Q1-Q3 Interim Reports 2014 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	Q1-Q3/2014	Q1-Q3/2013	FY 2013
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
- business operations	2,487	2,451	3,261
- value adjustment of derivatives due to interest rate changes	(632)	380	467
- other value adjustment of derivatives	(1,361)	(949)	(1,242)
- securities	21	26	33
Total	515	1,908	2,519
Operating costs and depreciation of equipment	1,551	1,530	2,073
Provisions for costs relating to reorganisation	-	-	50
Profit from investments in associates and group enterprises	-	78	78
Core earnings before impairment losses	(1,036)	456	474
Impairment losses on loans and advances and provisions for guarantees	119	329	349
Core earnings after impairment losses	(1,155)	127	125
Investment portfolio income	58	(42)	(40)
Profit (loss) before tax	(1,097)	85	85
Tax	(271)	3	8
Profit (loss) for the period	(826)	82	77
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.09.2014	30.09.2013	31.12.2013
Assets			
Cash balance and receivables from central banks and credit institutions	22,292	21,471	23,173
Loans, advances and other receivables at fair value	40,137	50,149	56,814
Loans, advances and other receivables at amortised cost	48,301	49,196	47,024
Bonds at fair value and equities	78,616	86,243	64,219
Remaining assets	41,151	41,347	32,904
Total assets	230,497	248,406	224,134
Liabilities and equity			
Payables to credit institutions and central banks	60,370	72,378	57,732
Deposits and other payables	60,478	59,356	65,405
Issued bonds at amortised cost	24,423	26,188	26,689
Other non-derivative financial liabilities at fair value	33,451	37,466	29,248
Remaining payables	37,913	38,103	30,216
Provisions	240	313	247
Subordinated debt	100	250	250
Equity	13,522	14,352	14,347
Total liabilities and equity	230,497	248,406	224,134
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	13,801	10,709	11,620
Other commitments	5,472	6,655	6,906
FINANCIAL RATIOS			
Profit (loss) for the period as % of average equity pa	(7.9)	0.8	0.5
Core earnings before impairment losses as % of average equity pa	(9.9)	4.2	3.3
Core earnings after impairment losses as % of average equity pa	(8.3)	1.2	0.9
Costs excl impairment losses as % of core income from business operations	62.4	62.4	65.2
Provisions for loan impairment (excl credit institutions), DKKm	3,706	4,099	3,974
Impairment losses for the period, %	0.1	0.3	0.3
Total capital ratio, %	14.7	21.0	16.8
Tier 1 capital ratio, %	14.3	21.0	16.4
CET1 capital ratio, %	14.2	20.6	16.1
Average number of full-time staff	829	855	859

RESULTS FOR Q1-Q3/2014

NYKREDIT BANK GROUP RESULTS RELATIVE TO Q1-Q3/2013

The Group recorded a loss before tax of DKK 1,097m compared with a profit of DKK 85m in Q1-Q3/2013, down DKK 1,182m.

Excluding value adjustment of interest rate swaps, results before tax for the period went up by DKK 242m from DKK 654m in Q1-Q3/2013 to DKK 896m.

Core income from business operations increased by DKK 36m to DKK 2,487m. This development was a result of an earnings decline of DKK 76m in Nykredit Markets due to lower bond trading activity, while Retail and Group Items saw growth compared with Q1-Q3/2013.

Results were affected by negative value adjustment of interest rate swaps of DKK 1,993m compared with a charge of DKK 569m in Q1-Q3/2013. This was chiefly due to a conservative assessment of active interest rate swaps.

Impairment losses on loans and advances developed satisfactorily and reduced by DKK 210m compared with Q1-Q3/2013 to DKK 119m. Impairment losses were 0.1% of loans and advances for the period under review compared with 0.3% in Q1-Q3/2013.

Core earnings

Core income from business operations

Core income grew by 1.5% from DKK 2,451m in Q1-Q3/2013 to DKK 2,487m. Retail contributed a DKK 54m rise in core income compared with Q1-Q3/2013. By contrast, core income from Wholesale declined by DKK 83m, mainly as an effect of lower trading activity in Nykredit Markets. Income of DKK 1m was recorded under Group Items, up DKK 65m on Q1-Q3/2013.

Lending at amortised cost went up by DKK 1.3bn compared with end-2013 to DKK 48.3bn at 30 September 2014, partly as an effect of a loan portfolio acquired from FIH, but the period was also affected by continued soft demand. Deposits fell back by DKK 4.9bn in Q1-Q3/2013 from DKK 65.4bn at end-2013 to DKK 60.5bn.

Value adjustment of derivatives

Value adjustments totalled a charge of DKK 1,993m against a charge of DKK 569m in Q1-Q3/2013. Of the charge for the period, losses incurred (terminated contracts) amounted to DKK 64m.

These provisions are made for potential losses. The higher provisions in Q3/2014 reflect a more conservative assessment of our customers' future income and costs. This should be seen in the context of expectations of continued low growth, inflation and interest rates in Europe as emphasised by the economic indicators seen in the past few months.

Losses incurred on interest rate swaps since 2012 amount to some DKK 275m and are expected to remain at a low level compared with the total provisions for the area of DKK 4.1bn. The relatively large provisions are mainly due to the fact that the market values of swap contracts with customers having the lowest ratings have been adjusted to DKK 0. The provisions are thus higher than the expected losses based on probability-weighted loss scenarios.

Value adjustments resulting from interest rate changes had a negative earnings impact of DKK 632m compared with a positive impact of DKK 380m in Q1-Q3/2013. The contracts continue to be active, and higher interest rate levels will result in positive value adjustments. The interest rate exposure comes to about DKK 130m upon a change in long-term swap rates of 0.1 percentage point.

Other value adjustment of interest rate swaps was a charge of DKK 1,361m against a charge of DKK 949m in Q1-Q3/2013. Active contracts are subject to value adjustment if a customer's general financial position implies elevated risk.

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

	Retail		Wholesale		Group Items		Total	
DKK million	2014	2013	2014	2013	2014	2013	2014	2013
Core income from:								
customer activities, gross	888	833	1,598	1,682	1	(64)	2,487	2,451
payment for distribution	418	419	(418)	(419)	-	-	-	-
Core income from business operations	1,306	1,252	1,180	1,263	1	(64)	2,487	2,451
Value adjustment of derivatives	(1,168)	(118)	(825)	(451)	-	-	(1,993)	(569)
Core income from securities	-	-	-	-	21	26	21	26
Total core income	138	1,134	355	812	22	(38)	515	1,908
Operating costs	727	625	596	621	228	284	1,551	1,530
Profit from investments in associates	-	78	-	-	-	-	-	78
Core earnings before impairment losses	(589)	587	(241)	191	(206)	(322)	(1,036)	456
Impairment losses on loans and advances	111	196	4	144	4	(11)	119	329
Core earnings after impairment losses	(700)	391	(245)	47	(210)	(311)	(1,155)	127
Investment portfolio income	-	-	-	-	58	(42)	58	(42)
Profit (loss) before tax for the period	(700)	391	(245)	47	(152)	(353)	(1,097)	85
Costs excl impairment losses as % of core income from business operations	55.7	49.9	50.5	49.2	-	-	62.4	62.4

Comparative figures for Q1-Q3/2013 have been restated to reflect the new organisation, which was implemented in 2014.

Core income from securities

Core income from securities decreased from DKK 26m in Q1-Q3/2013 to DKK 21m, which mirrored a change in the risk-free interest rate, which dropped from an average of 0.24% in Q1-Q3/2013 to 0.20%. The risk-free interest rate equals the Danish central bank's lending rate.

Operating costs, depreciation and amortisation

Staff and administrative expenses rose by DKK 20m, or 1.4%, to DKK 1,490m. Payroll costs accounted for a decline of DKK 12m, or 1.9%, while other administrative expenses grew by DKK 32m, or 3.8%.

Payments to the Danish Guarantee Fund for Depositors and Investors amounted to DKK 52m compared with DKK 53m in Q1-Q3/2013. The payments in Q1-Q3/2014 were ordinary contributions to the Fund.

Payroll costs and other administrative expenses were in line with expectations. Compared with Q1-Q3/2013, other administrative expenses were affected by rising IT costs and settlement of balances with the Parent Company relating to administrative tasks. The cost level was not affected by "Nykredit 2015", as provisions for costs relating to the organisational changes were made in 2013.

The average number of full-time staff totalled 829 compared with 855 in Q1-Q3/2013 and an average of 859 for 2013.

Impairment losses on loans and advances and provisions for guarantees

Impairment losses and provisions fell from DKK 329m in Q1-Q3/2013 to DKK 119m in Q1-Q3/2014, equal to a positive development of DKK 210m.

The development comprised fewer individual impairment provisions and write-offs, which reduced by DKK 134m from DKK 179m in Q1-Q3/2013 to DKK 45m. Collective impairment provisions were DKK 61m compared with DKK 89m in Q1-Q3/2013, while provisions for guarantees were DKK 48m below the level in Q1-Q3/2013.

Impairment losses in Retail reduced by DKK 85m to DKK 111m, while impairment losses in Wholesale dropped by DKK 140m compared with Q1-Q3/2013. Impairment losses in Group Items were DKK 4m compared with an income of DKK 11m in Q1-Q3/2013, which was characterised by reversals.

Impairment losses for the period under review were 0.1% of loans, advances and guarantees compared with 0.3% in Q1-Q3/2013.

Investment portfolio income

Investment portfolio income was DKK 58m compared with a loss of DKK 42m in Q1-Q3/2013.

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

The development since Q1-Q3/2013 should partly be viewed in light of the fact that Q1-Q3/2014 was affected by positive value adjustment of unlisted equities in the portfolio, including the sale of shares in Nets, which generated an income of DKK 9m. In Q1-Q3/2013, investment portfolio income also included commission to Nykredit Holding A/S for a loss guarantee provided to strengthen the Bank's total capital ratio and Tier 1 capital ratio. The loss guarantee was terminated by the Bank's Management at end-2013 and has thus not resulted in any expenses in 2014.

Tax

Tax calculated on the loss for the period (income) was DKK 271m, equal to 24.7% of loss before tax.

RESULTS FOR Q3/2014

Loss before tax was DKK 1,291m in Q3/2014, which represented a decline of DKK 1,486m compared with Q2/2014. This adverse development was principally an effect of an increase in expenses for interest rate swaps of DKK 1,351m.

Capacity costs were DKK 36m below the Q2 level, whereas impairment losses were DKK 81m above, which should be seen in the light that impairment losses in Q2/2014 came to a credit due to reversals. Finally, investment portfolio income was DKK 25m below the relatively high level in Q2, which was partly affected by income from unlisted equities.

Results before tax decreased by DKK 799m from a loss of DKK 492m in Q3/2013 to a loss of DKK 1,291m in Q3/2014. The change in results was chiefly attributable to negative value adjustment of interest rate swaps, which rose by DKK 938m from a charge of DKK 620m in Q3/2013 to a charge of DKK 1,558m in Q3/2014.

Operating costs were broadly unchanged, while impairment losses on loans and advances reduced by DKK 83m compared with Q3/2013.

Investment portfolio income increased by DKK 16m. Finally, Q3/2013 was favourably affected by DKK 48m stemming from a partial reversal of provisions for costs relating to Dansk Pantebrevsbørs A/S under konkurs (in bankruptcy). No similar income was recorded in Q3/2014.

OUTLOOK FOR 2014

The Nykredit Bank Group reported a loss before tax of DKK 1,097m for Q1-Q3/2014, which was significantly below expectations at the beginning of the year.

This can be ascribed to a rise in value adjustment of interest rate swaps, which also had a negative impact in Q3/2014, due to continued interest rate decline and adjustment of an increasing number of swap transactions.

However, exclusive of adjustment of interest rate swaps, results for Q1-Q3/2014 improved by DKK 242m, which matched expectations.

Results for Q4/2014, exclusive of value adjustment of interest rate swaps, are expected to be on a level with Q3/2014. Accordingly, our guidance for 2014 has been revised to a profit before tax which is DKK 250m-300m above the level in 2013, exclusive of value adjustment of interest rate swaps.

BUSINESS AREAS

The Nykredit Bank Group's business areas are:

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

The business areas were adjusted to reflect Nykredit's new organisation that was implemented in H1/2014. Compared with the presentation in Q1-Q3/2013, the most significant changes are that Private Banking and the subsidiary Nykredit Leasing A/S are now included in Wholesale instead of Retail (SMEs). The Bank's results, equity and balance sheet have not been affected by the change.

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

RETAIL

Retail posted a loss before tax of DKK 700m compared with a profit before tax of DKK 391m in Q1-Q3/2013.

The development was chiefly due to value adjustment of interest rate swaps, which came to a charge of DKK 1,168m in Q1-Q3/2014 against a charge of DKK 118m in Q1-Q3/2013, equal to a negative earnings impact of DKK 1,050m.

Core income from business operations amounted to DKK 1,306m, up DKK 54m compared with Q1-Q3/2013. The rise generally comprised an increase in fees of about DKK 98m, whereas net interest income fell by DKK 40m.

Wholesale: Income from customer activities and income allocation

DKK million	Q1-Q3/ 2014	Q1-Q3/ 2013
Customer activities, gross		
Nykredit Markets	458	517
Nykredit Asset Management	596	588
Corporate & Institutional Banking	544	577
Total	1,598	1,682
Income allocation		
Nykredit Markets	(209)	(192)
Nykredit Asset Management	(355)	(343)
Corporate & Institutional Banking	146	116
Total allocation to Retail	(418)	(419)
Core income		
Nykredit Markets	249	325
Nykredit Asset Management	241	245
Corporate & Institutional Banking	690	693
Total	1,180	1,263

Operating costs amounted to DKK 727m against DKK 625m in Q1-Q3/2013. The development was largely as expected and was attributable to an increase in intercompany settlement of administrative services rendered by the Parent Company.

Impairment losses came to DKK 111m against DKK 196m in Q1-Q3/2013. The impairment charge in Q1-Q3/2014 was mainly attributable to impairment losses on lending to personal customers. This development resulted from a DKK 241m reduction in impairment losses on SMEs stemming from reversals and a DKK 156m rise in impairment losses on personal customers relative to Q1-Q3/2013.

Impairment losses were unchanged at 0.3% of loans and advances compared with Q1-Q3/2013.

Costs (excluding impairment losses) as a percentage of core income from business operations totalled 55.7% compared with 49.9% in Q1-Q3/2013.

Lending and deposits

The business area's lending activities went up from DKK 23.3bn to DKK 24.7bn, while deposits increased by DKK 1.9bn from DKK 36.4bn at end-2013 to DKK 38.3bn.

WHOLESALE

Wholesale comprises banking activities with the Bank's corporate and institutional clients, including the areas Corporate & Institutional Banking, Nykredit Leasing, Nykredit Markets and Nykredit Asset Management activities as well as Other Activities, which includes a special loan portfolio of non-continuing exposures.

The business area posted a loss of DKK 245m in Q1-Q3/2014, equal to a decrease of DKK 292m compared with a profit of DKK 47m in Q1-Q3/2013. Value adjustment of interest rate swaps was a charge of DKK 374m, while a decline in impairment losses had a positive impact of DKK 140m.

Gross income

The area's gross income totalled DKK 1,598m against DKK 1,682m in Q1-Q3/2013.

Of this amount, gross income from Nykredit Markets was DKK 458m, down DKK 59m compared with Q1-Q3/2013, while income from Nykredit Asset Management slightly exceeded the Q1-Q3/2013 level, and income from Corporate & Institutional Banking fell from DKK 577m to DKK 544m.

Earnings in Nykredit Markets, which includes securities trading for institutional clients, were adversely affected in Q1-Q3/2014 by the low activity levels in the fixed income market, which accounts for a significant proportion of Nykredit Markets's business activities and earnings.

Nykredit Markets's market share of fixed income products has grown in 2014, but due to the generally lower market activity, this has not fed fully through to earnings.

Gross income from Nykredit Asset Management was DKK 596m, which was DKK 8m above the level in Q1-Q3/2013. Assets under management amounted to DKK 122bn, corresponding to a rise of DKK 7bn compared with end-Q3/2013. Assets under administration totalled DKK 643bn against DKK 577bn at end-Q3/2013.

Core earnings

The business area's core income from business operations totalled DKK 1,180m, down DKK 83m on Q1-Q3/2013, mainly a result of the lower activity levels in financial markets, which reduced Nykredit Markets's earnings by DKK 76m. Aggregate income from Corporate & Institutional Banking and Nykredit Asset Management was DKK 7m below the level in Q1-Q3/2013.

Q1-Q3/2014 saw negative value adjustment of derivatives of DKK 825m, equal to an adverse effect of DKK 374m compared with Q1-Q3/2013.

Compared with Q1-Q3/2013, operating costs were down by DKK 25m to DKK 596m.

Impairment losses on loans and advances were DKK 4m against DKK 144m in Q1-Q3/2013. Q1-Q3/2014 impairments comprised a loss of DKK 26m relating to Corporate & Institutional Banking and income of DKK 22m relating to the business unit Other Activities and Nykredit Markets.

Impairment losses exclusive of reverse lending neared 0% of loans and advances against 0.2% in Q1-Q3/2013.

Operating costs as a percentage of core income from business operations were 50.5% compared with 49.2% in Q1-Q3/2013.

The subsidiary Nykredit Portefølje Administration delivered a profit before tax of DKK 68.9m against DKK 59.6m in Q1-Q3/2013.

The subsidiary Nykredit Leasing contributed a profit before tax of DKK 38.5m against DKK 23.9m in Q1-Q3/2013.

Lending and deposits

Lending was unchanged from end-2013 at DKK 23.6bn, of which the portfolio of non-continuing exposures accounted for DKK 0.7bn.

Deposits came to DKK 21.6bn against DKK 27.3bn at end-2013.

GROUP ITEMS

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

Group Items posted a loss for the period of DKK 152m against a loss of DKK 353m in Q1-Q3/2013. Treasury activities accounted for DKK 20m of the loss incurred in Q1-Q3/2014.

Core income was DKK 1m compared with a loss of DKK 64m in Q1-Q3/2013, while operating costs dropped by DKK 56m to DKK 228m.

Core earnings and investment portfolio income from securities were DKK 79m against a loss of DKK 16m in Q1-Q3/2013. This development should especially be viewed in light of the fact that investment portfolio income in Q1-Q3/2014 was no longer affected by commission payable to Nykredit Holding for a loss guarantee, which was terminated in Q4/2013, and value adjustment of unlisted equities in Q1-Q3/2014.

Unallocated costs were DKK 215m against DKK 248m in Q1-Q3/2013. In Q1-Q3/2014, the item mainly consisted of IT development expenses of DKK 215m. In Q1-Q3/2013 these expenses chiefly resulted from unallocated IT costs of DKK 238m and payment of DKK 19m to the Guarantee Fund for Depositors and Investors.

BALANCE SHEET, EQUITY, CAPITAL ADEQUACY AND RATING

Nykredit Bank Group Lending and deposits

DKK million	30.09.2014	31.12.2013	30.09.2013
Loans and advances			
Retail	24,705	23,348	20,728
Personal	13,261	13,802	14,062
Commercial	11,444	9,546	6,666
Wholesale	23,579	23,612	28,195
Loans and advances at fair value (reverse lending)	40,137	56,814	50,173
Group Items and other lending	17	64	249
Deposits			
Retail	38,339	36,427	36,808
Personal	23,140	21,588	21,463
Commercial	15,199	14,839	15,345
Wholesale	21,599	27,256	21,321
Deposits at fair value (repo)	22,753	18,513	23,649
Group Items and other deposits	544	1,722	1,227

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

Nykredit Bank Group Equity

DKK million	30.09.2014	31.12.2013	30.09.2013
Equity, beginning of period	14,347	14,270	14,270
Profit (loss) after tax for the period	(826)	77	82
Equity, end of period	13,522	14,347	14,352

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

DKK million	30.09.2014	31.12.2013	30.09.2013
Share capital	6,045	6,045	6,045
Retained earnings	7,477	8,302	8,307
Prudent valuation adjustment	(391)	-	-
Intangible assets	(56)	(23)	(23)
Common Equity Tier 1 (CET1) capital	13,075	14,324	14,329
Additional Tier 1 capital	100	250	250
Transitional adjustment of Additional Tier 1 capital	-	-	-
Other deductions	-	(17)	(20)
Tier 1 capital	13,175	14,557	14,559
Provisions relative to expected losses in accordance with IRB approach	377	374	-
Deductions from own funds	-	(17)	-
Own funds	13,552	14,914	14,559
Total risk exposure amount	91,860	88,709	69,398
Total capital ratio, %	14.7	16.8	21.0
Tier 1 capital ratio, %	14.3	16.4	21.0
CET1 capital ratio, %	14.2	16.1	20.6
Internal capital adequacy requirement (ICAAP), %	11.7	12.0	12.4

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY OF NYKREDIT BANK GROUP

Balance sheet

The balance sheet stood at DKK 230.5bn compared with DKK 224.1bn at end-2013.

Balances with credit institutions and cash balances reduced by DKK 0.9bn to DKK 22.3bn, while loans and advances at fair value (reverse lending) decreased by DKK 16.7bn to DKK 40.1bn.

Loans and advances at amortised cost were DKK 48.3bn, a rise of DKK 1.3bn from end-2013. The level mirrored the takeover of the FIH portfolio as well as modest loan demand. Relative to end-2013, Wholesale lending was broadly unchanged, whereas Retail lending rose by DKK 1.4bn.

The bond portfolio expanded from DKK 63.9bn at end-2013 to DKK 78.3bn. The portfolio may fluctuate significantly from one reporting period to another, which should be seen in continuation of the Bank's repo activities, trading positions and general liquidity management. The portfolio mainly consisted of high-rated government and covered bonds.

Other assets totalled DKK 40.7bn against DKK 32.6bn at end-2013. At 30 September 2014, DKK 35.3bn was attributable to positive market values of derivatives compared with DKK 25.9bn at end-2013. The positive market values related to the Bank's customer activities in derivatives and own positions for hedge accounting purposes. The interest rate risk was widely hedged through offsetting interest rate swaps, and the market value should therefore be viewed in the context of "Other liabilities", which included negative market values of DKK 32.9bn.

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

Payables to credit institutions and central banks rose from DKK 57.7bn at end-2013 to DKK 60.4bn.

Deposits and other payables came to DKK 60.5bn, down DKK 4.9bn from end-2013, when deposits were DKK 65.4bn. Retail deposits grew by DKK 1.9bn, whereas Wholesale deposits dropped by DKK 5.6bn. Group Items and other deposits decreased by DKK 1.2bn.

The Bank's deposit surplus was DKK 12.2bn relative to lending at amortised cost.

Issued bonds fell from DKK 26.7bn at end-2013 to DKK 24.4bn. The level is continuously adapted to the Bank's liquidity needs.

Other non-derivative financial liabilities at fair value, which include deposits relating to repo transactions, came to DKK 33.5bn against DKK 29.2bn at end-2013.

Other liabilities totalled DKK 37.9bn against DKK 30.1bn at end-2013. The item mainly consisted of negative market values of financial instruments in the amount of DKK 32.9bn as well as interest and commission payable.

Equity

Equity stood at DKK 13.5bn at 30 September 2014. Compared with end-2013, equity has decreased by profit for the period.

Own funds and total capital ratio

Own funds totalled DKK 13.6bn at 30 September 2014 compared with DKK 14.9bn at end-2013, and the total capital ratio stood at 14.7% against 16.8% at end-2013. The internal capital adequacy requirement (ICAAP) was 11.7% at 30 September 2014 against 12.0% at end-2013.

Nykredit Bank aims to have a Tier 1 capital ratio of at least 13%. At 30 September 2014, the Tier 1 capital ratio was 14.3% against 16.4% at end-2013. The Common Equity Tier 1 (CET1) capital ratio came to 14.2% at 30 September 2014 compared with 16.1% at end-2013.

The total risk exposure amount (previously risk-weighted assets) rose by DKK 3.2bn compared with end-2013 to DKK 91.9bn. This development comprised a rise of DKK 4.6bn in items involving credit risk, a drop of DKK 1.0bn in items involving operational risk and a decline of DKK 0.4bn in items involving market risk.

The increase in credit and market risk is mainly an effect of the implementation of CRR/CRD IV at 1 January 2014.

CREDIT RATINGS

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

Standard & Poor's has assigned Nykredit Bank a short-term rating of A-1 and a long-term rating of A+. The long-term rating has been assigned a negative outlook.

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

Nykredit Bank's ratings are unchanged compared with end-2013.

Nykredit Bank A/S Credit ratings

	Fitch	Standard & Poor's
Short-term ratings	F1	A-1
Long-term ratings	A	A+

IMPAIRMENT LOSSES AND LENDING

Earnings impact for the period

Impairment losses on loans and advances dropped by DKK 210m from DKK 329m in Q1-Q3/2013 to DKK 119m in Q1-Q3/2014.

Impairment losses in Retail reduced by DKK 85m to DKK 111m. Of this decline, impairment losses on lending to personal customers accounted for an increase of DKK 156m and lending to SMEs for a reduction of DKK 241m.

Wholesale impairments were an income of DKK 4m against losses of DKK 144m in Q1-Q3/2013, equivalent to a positive earnings impact of DKK 140m. The impairment charge for Corporate & Institutional Banking decreased by DKK 253m to DKK 26m, while the business unit Other Activities contributed income of DKK 21m compared with income of DKK 133m in Q1-Q3/2013.

Income from other areas totalled DKK 1m in Q1-Q3/2014.

Of the total charge of DKK 119m, a net amount of DKK 45m related to individual impairment provisions, while collective impairment provisions were a credit of DKK 61m. Provisions for guarantees were a charge of DKK 13m.

Provisions – Nykredit Bank Group

	Retail		Wholesale		Group Items		Total	
DKK million	Q1-Q3/ 2014	Q1-Q3/ 2013	Q1-Q3/ 2014	Q1-Q3/ 2013	Q1-Q3/ 2014	Q1-Q3/ 2013	Q1-Q3/ 2014	Q1-Q3/ 2013
Impairment provisions, beginning of year	2,277	2,094	1,634	1,857	83	106	3,994	4,057
Impairment provisions and reversals for the period	(67)	16	(198)	56	0	(11)	(265)	61
Impairment provisions, end of period	2,210	2,110	1,436	1,913	83	95	3,729	4,118
Of which individual	2,004	1,996	1,211	1,702	61	76	3,276	3,774
Of which individual, banks	-	-	-	-	23	19	23	19
Of which collective	206	114	225	211	0	-	430	325
Provisions for guarantees								
Provisions, beginning of year	48	74	55	8	0	-	103	82
Provisions, end of period	55	54	61	88	0	-	116	143
Total provisions, end of period	2,265	2,164	1,497	2,001	83	95	3,845	4,261
Earnings impact								
New impairment provisions and losses for the period, net	116	225	7	217	4	(11)	127	431
Received on loans and advances previously written off	12	10	9	153	0	0	21	163
Total	104	215	(2)	64	4	(11)	106	268
Provisions for guarantees	7	(19)	6	80	0	0	13	61
Total earnings impact	111	196	4	144	4	(11)	119	329

Loans, advances and guarantees by sector at 30 September 2014 and 31 December 2013

	Loans, advances and guarantees		Provisions	
DKK million	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Public sector	695	493	7	8
Agriculture, hunting, forestry and fishing	2,136	2,026	141	177
Manufacturing, mining and quarrying	5,631	5,026	244	261
Energy supply	806	1,743	10	8
Construction	1,939	1,796	255	262
Trade	3,280	2,557	148	195
Transport, accommodation and food service activities	3,023	3,025	103	126
Information and communication	1,114	948	72	68
Finance and insurance	44,548	61,568	386	445
Real estate	10,827	10,676	1,398	1,465
Other	8,716	7,811	354	422
Total commercial customers	82,020	97,176	3,111	3,429
Personal customers	19,525	17,789	705	641
Total public sector and commercial and personal customers	102,240	115,458	3,823	4,078
Total impairment provisions, incl banks	-	-	3,845	4,097

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

Provisions at 30 September 2014

Total impairment provisions decreased by 6.5% from DKK 3,994m at end-2013 to DKK 3,729m at 30 September 2014. Individual impairment provisions reduced by DKK 325m, whereas collective impairment provisions rose by DKK 61m.

Of the DKK 325m decline in individual impairment provisions, DKK 352m was write-offs, while new impairment provisions for the period amounted to DKK 27m net.

Impairment provisions for Retail fell back from DKK 2,277m at end-2013 to DKK 2,210m due to a rise of DKK 135m in impairment provisions for personal customers and a decline of DKK 201m in impairment provisions for SMEs.

Wholesale impairment provisions dropped by DKK 198m from DKK 1,634m at end-2013 to DKK 1,436m, of which the portfolio of non-continuing exposures accounted for a decline of DKK 175m from DKK 814m to DKK 639m. Other business units fell by around DKK 23m compared with end-2013.

Total non-continuing exposures were fairly unchanged at DKK 0.7bn at 30 September 2014 (carrying amounts after impairments).

Provisions for guarantees went up from DKK 103m at end-2013 to DKK 116m at 30 September 2014.

Relative to total loans, advances and guarantees, provisions were 3.6% against 3.4% at end-2013. Excluding guarantees, the percentage was 4.0% against 3.7% at end-2013.

Loans, advances and guarantees by sector

Loans, advances and guarantees totalled DKK 102.2bn at 30 September 2014 against DKK 115.5bn at end-2013. This development comprised a decline in reverse lending of DKK 16.7m and a rise in other loans, advances and guarantees of DKK 3.4bn. Reverse lending totalled DKK 40.1bn at 30 September 2014 against DKK 56.8bn at end-2013.

Finance and insurance still accounted for the largest single sector exposure at DKK 44.5bn against DKK 61.6bn at end-2013. The exposure widely comprised reverse lending with bonds serving as security.

Finance and insurance accounted for 43.6% (end-2013: 53.3%), the real estate sector 10.6% (end-2013: 9.2%) and personal customers 19.1% (end-2013: 15.4%).

Nykredit Bank recorded lending growth of 2.6%, excluding reverse lending, determined pursuant to the rules of the Danish FSA, including rules relating to the FSA Supervisory Diamond model. The Danish FSA's lending limit value indicates that growth of 20% or more may imply increased risk-taking.

Inclusive of reverse lending, the Bank's lending decreased by 15.1% relative to end-2013.

Lending to the real estate and construction sectors totalled DKK 12.8bn at end-September 2014 compared with DKK 12.5bn at end-2013. Of total loans, advances and guarantees at 30 September 2014, DKK 9.3bn derived from the category "Renting of real estate" compared with DKK 8.5bn at end-2013.

At 30 September 2014, loan impairment provisions for the real estate sector totalled DKK 1.7bn, or 11.5% of total loans and advances to the sector, compared with DKK 1.7bn, or 12.2%, at end-2013.

Determined pursuant to the FSA Supervisory Diamond model, the Bank's real estate exposure was 11.8% compared with 10.4% at end-2013. In Management's opinion, this exposure is at an appropriate level.

The FSA Supervisory Diamond

Nykredit Bank's key ratios were below the maximum limit values of the Danish FSA throughout Q1-Q3/2014.

The change in large exposures was attributable to three customers of good creditworthiness.

Supervisory Diamond for banks (parent company level)

DKK million	Q1-Q3/2014	2013	Q1-Q3/2013
Lending growth (limit value <20%)*	2.6	(7.6)	(1.6)
Large exposures (limit value <125%)	45.4	0.0	0.0
Property exposure (limit value <25%)	11.8	10.4	11.0
Funding ratio (limit value <1.0%)	0.6	0.5	0.6
Excess liquidity coverage (limit value 50%)	237.7	276.0	230.5
* Determined exclusive of reverse lending			

LIQUIDITY AND FINANCIAL RISK

LIQUIDITY

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

As a result of new liquidity regulations and rating requirements, the Bank strives to maintain 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 total reduced debt and guarantee obligations. Nykredit Bank operates with an internal excess liquidity coverage of at least 50% relative to the statutory requirement.

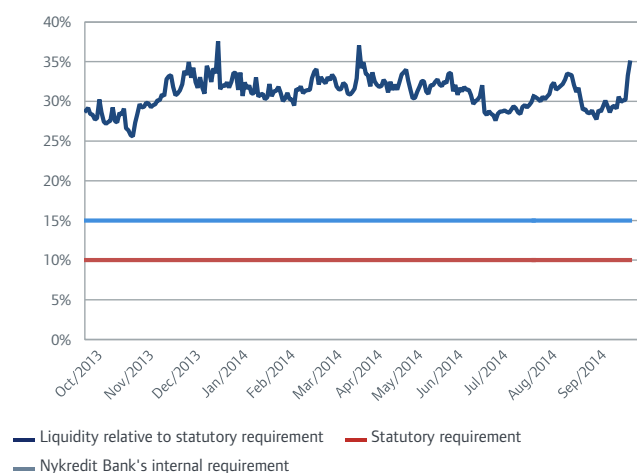
At 30 September 2014, the excess coverage was 237.7% against 230.5% at 30 September 2013, corresponding to a liquidity buffer of DKK 56.1bn compared with DKK 57.8bn at 30 September 2013. In Q1-Q3/2014, the liquidity buffer averaged DKK 48.6bn compared with an average of DKK 43.5bn for Q1-Q3/2013.

At 30 September 2014, the Bank had issued DKK 15.9bn of medium-term bonds under the EMTN programme and DKK 10.8bn of short-term ECP issues.

The aggregate amount of bonds issued under the ECP and EMTN programmes was DKK 26.7bn at 30 September 2014 against DKK 29.3bn at end-2013. Excluding the Bank's portfolio of self-issued bonds, the issues totalled DKK 24.4bn at 30 September 2014 and DKK 26.7bn at end-2013.

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.

Total run-off under Nykredit Bank's EMTN programme in 2014 will be DKK 6.4bn. The refinancing thereof commenced in the autumn of 2013 with a benchmark issue of EUR 500m.

The total EMTN and ECP issuance requirement depends on the development in the Bank's deposits and lending and its other business activities.

Liquidity Coverage Ratio

Nykredit will be subject to the new international regulatory framework regarding the Liquidity Coverage Ratio (LCR) with effect from 2015. The LCR requirement is to ensure that the stock of liquid assets is sufficient for meeting all payment obligations 30 days ahead without access to market funding.

It is Nykredit's expectation that covered bonds (SDOs and ROs), except for self-issued bonds, will be eligible for inclusion in the stock of liquid assets.

Under the expected rules, the LCR of group companies, excluding self-issued bonds in the stock of liquid assets, was 105% at 30 September 2014.

Nykredit Bank Group
Risk key figures

DKK million	Q1-Q3/2014	Q1-Q3/2013	FY 2013
Value-at-Risk			
End of period	15	22	17
Average	17	22	17
Interest rate risk			
End of period	(16)	111	86
Foreign exchange position			
EUR	(270)	(65)	465
Excl EUR and DKK	13	8	25

FINANCIAL RISK

Value-at-Risk (VaR) came to DKK 15m at 30 September 2014 against DKK 22m at 30 September 2013. Value-at-Risk averaged DKK 17m in Q1-Q3/2014 against DKK 22m in Q1-Q3/2013.

Stressed VaR was DKK 47m at end-September 2014 and averaged DKK 52m in Q3/2014. At end-Q3/2013, stressed VaR was DKK 65m and averaged DKK 59m.

The interest rate risk exposure was negative DKK 15m against DKK 111m at 30 September 2013.

The Bank's foreign exchange position in EUR was negative DKK 270m at 30 September 2014 against negative DKK 65m at 30 September 2013. Its foreign exchange position in currencies other than EUR and DKK totalled DKK 13m at 30 September 2014 against DKK 8m at 30 September 2013.

Nykredit Bank A/S
Net interest rate risk exposure

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


OTHER

OTHER

Management change

At 1 April 2014, Michael Rasmussen, Group Chief Executive, joined the Board of Directors of Nykredit Bank as Chairman.

At 19 March 2014, the Bank's Executive Board was expanded to include Jesper Berg, Managing Director and head of Regulatory Affairs & Rating of the Nykredit Group. After the end of the financial period, Lars Bo Bertram, Managing Director, has resigned from Nykredit Bank. The Bank's Executive Board now consists of three members.

Karsten Knudsen and Per Ladegaard, Group Managing Directors, retired from the Bank's Board of Directors at 1 April 2014. As of 30 September 2014, the Board of Directors of the Bank consists of seven members, of which three are staff-elected.

As at 1 October 2014, Anders Jensen was appointed Group Managing Director with responsibility for Retail, and he also became a member of the Board of Directors of Nykredit Bank. Anders Jensen was formerly the CEO of Nordea Bank Danmark.

Nykredit Bank acquires corporate loan portfolio from FIH Erhvervsbank

Nykredit Bank and FIH Erhvervsbank agreed in June that Nykredit Bank would take over 24 large corporate accounts with credit exposures totalling approx DKK 4bn, comprising lending of around DKK 1.9bn, guarantees and credit commitments of around DKK 1.6bn and financial instruments of DKK 0.5bn.

The agreement adds a number of large corporate accounts to Nykredit Bank's customer base and underpins Nykredit's strategy to strengthen its position as a corporate bank.

The portfolio, which was taken over in September 2014, will have a favourable earnings impact in 2014, but not to an extent that will lead to changes to our full-year guidance.

Stronger customer focus after Nykredit reorganisation

As part of our "Nykredit 2015" plan, we changed our management and organisational structure in the spring of 2014. The purpose was to strengthen the business strategic focus and raise profitability by leveraging a strong customer focus with new customer concepts, increased earnings, efficiencies and a less complex organisation, which will bring us closer to our customers and strengthen our dialogue with them.

Another important focus area is to strengthen and reinvigorate the business relationship with the 65 Danish local and regional banks of the Totalkredit partnership.

The Nykredit Group must grow income by DKK 1bn, and costs must reduce by DKK 0.5bn with full effect from 2016.

As part of the cost reductions and to raise the efficiency of decision-making processes, it was necessary to reduce the number of management and staff positions by up to 300, mainly in non-customer facing functions.

Nykredit designated a systemically important financial institution

In line with expectations, the Danish FSA designated the Parent Company, Nykredit Realkredit A/S, and consequently Nykredit Bank A/S as a systemically important financial institution (SIFI) in June.

As a SIFI, Nykredit will be more closely monitored by the Danish FSA and the capital requirement (SIFI buffer) will be increased by an expected 2%. The SIFI buffer requirement will be announced by the Danish Ministry of Business and Growth during 2014.

Sale of shares in Nets A/S

Like other banks, Nykredit divested its shares in Nets in 2014. The profit affected group results by DKK 9m.

Nykredit Bank joins BEC

Nykredit Bank and BEC – Bankernes EDB Central – agreed on 9 October that Nykredit Bank would become a member of BEC.

For quite some time Nykredit Bank has been BEC's largest customer and will increasingly use BEC's banking platform for core bank services to personal and commercial customers, while reducing Nykredit Bank's development costs.

As a BEC member, Nykredit will actively participate in and contribute to the joint development of BEC's solutions, leading to more efficient and strong IT solutions from BEC to the benefit of banks and their customers throughout Denmark.

The BEC membership also enhances Nykredit's scope for focusing on IT development within mortgage lending and housing advisory services.

Therefore the membership is a natural extension of Nykredit's strategic objective of strengthening and developing the alliance with Totalkredit's many partner banks.

As a BEC member, Nykredit Bank will work to ensure that BEC takes part in the consolidation of the infrastructure in the sector to the advantage of both banks and their customers.

Nykredit Asset Management restructuring

Nykredit Asset Management has been organised into two internal units under a new management team. The restructuring is a natural consequence of Nykredit's strategic objective of increased focus and enhanced customer orientation.

Nykredit Asset Management will have a new management team consisting of Peter Kjærgaard, current Head of Investments, and Morten Therkildsen, new Head of Client Management, from Carnegie Asset Management.

Nykredit Portefølje Administration becomes an independent business area of Nykredit Wholesale.

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 2013.

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

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

Lars Bo Bertram, Managing Director, resigned his position with the Bank after the end of the financial period. Consequently, Lars Bo Bertram withdrew from the Executive Board of Nykredit Bank A/S as from 10 October 2014. Lars Bo Bertram has not participated in the subsequent meetings of the Bank's Executive Board and Board of Directors and has consequently not signed the Interim Report as at 30 September 2014.

No significant events have occurred in the period up to the presentation of the Q1-Q3 Interim Report 2014 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 September 2014 of Nykredit Bank A/S and the Nykredit Bank Group.

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

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

We are of the opinion that the Interim Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 September 2014 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 September 2014.

We are furthermore of the opinion that the Management's Review gives a fair review of the development in the operations and financial circumstances of the 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, 6 November 2014

Executive Board

Bjørn Mortensen

Georg Andersen

Jesper Berg

Board of Directors

Michael Rasmussen, Chairman

Søren Holm, Deputy Chairman

Henrik K. Asmussen, staff-elected

Olav Brusen Barsøe, staff-elected

Kim Duus

Allan Kristiansen, staff-elected

Anders Jensen

Bente Overgaard

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

DKK million

Nykredit Bank A/S			Note	Nykredit Bank Group	
Q1-Q3/2013	Q1-Q3/2014			Q1-Q3/2014	Q1-Q3/2013
2,599	2,510	Interest income	5	2,592	2,666
814	714	Interest expenses	6	717	814
1,785	1,796	NET INTEREST INCOME		1,875	1,852
18	25	Dividend on equities		25	18
882	836	Fee and commission income		1,018	1,049
504	317	Fee and commission expenses		328	508
2,181	2,340	NET INTEREST AND FEE INCOME		2,590	2,411
(566)	(2,038)	Value adjustments	7	(2,041)	(568)
0	1	Other operating income		23	23
1,326	1,344	Staff and administrative expenses	8	1,490	1,470
7	5	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets		6	7
49	52	Other operating expenses		54	53
310	106	Impairment losses on loans, advances and receivables	9	119	329
143	81	Profit from investments in associates and group enterprises	10	-	78
66	(1,123)	PROFIT (LOSS) BEFORE TAX		(1,097)	85
(16)	(297)	Tax	11	(271)	3
82	(826)	PROFIT (LOSS) FOR THE PERIOD		(826)	82
STATEMENTS OF COMPREHENSIVE INCOME					
82	(826)	PROFIT (LOSS) FOR THE PERIOD		(826)	82
-	-	Other additions and disposals		-	-
-	-	OTHER COMPREHENSIVE INCOME		-	-
82	(826)	COMPREHENSIVE INCOME FOR THE PERIOD		(826)	82

Balance sheets, end of period

DKK million

Nykredit Bank A/S		Nykredit Bank Group			
31.12.2013	30.09.2014		Note	30.09.2014	31.12.2013
		ASSETS			
3,049	259	Cash balances and demand deposits with central banks		259	3,049
20,123	22,033	Receivables from credit institutions and central banks	12	22,033	20,124
56,814	40,137	Loans, advances and other receivables at fair value	13	40,137	56,814
45,906	47,078	Loans, advances and other receivables at amortised cost	14	48,301	47,024
63,648	77,927	Bonds at fair value	15	78,276	63,863
356	339	Equities	16	340	356
545	626	Investments in group enterprises		-	-
23	58	Intangible assets		58	23
21	16	Other property, plant and equipment		16	21
47	332	Current tax assets		328	65
9	22	Deferred tax assets		0	0
79	56	Assets in temporary possession	17	56	212
32,493	40,630	Other assets	18	40,666	32,555
21	20	Prepayments		27	28
223,134	229,533	TOTAL ASSETS		230,497	224,134

Balance sheets, end of period

DKK million

Nykredit Bank A/S		Nykredit Bank Group			
31.12.2013	30.09.2014		Note	30.09.2014	31.12.2013
LIABILITIES AND EQUITY					
56,987	59,625	Payables to credit institutions and central banks	19	60,370	57,732
65,543	60,559	Deposits and other payables	20	60,478	65,405
26,689	24,423	Issued bonds at amortised cost	21	24,423	26,689
29,248	33,451	Other non-derivative financial liabilities at fair value	22	33,451	29,248
29	29	Liabilities temporarily assumed		29	136
29,868	37,646	Other liabilities	23	37,882	30,075
1	0	Deferred income		2	5
208,365	215,733	TOTAL PAYABLES		216,635	209,290
Provisions					
-	-	Provisions for deferred tax		62	75
103	116	Provisions for losses under guarantees	24	116	103
69	62	Other provisions	24	62	69
172	178	TOTAL PROVISIONS		240	247
250	100	Subordinated debt	25	100	250
Equity					
6,045	6,045	Share capital		6,045	6,045
Other reserves					
261	261	Statutory reserves		-	-
8,041	7,216	Retained earnings		7,477	8,302
14,347	13,522	TOTAL EQUITY		13,522	14,347
223,134	229,533	TOTAL LIABILITIES AND EQUITY		230,497	224,134
OFF-BALANCE SHEET ITEMS					
11,719	13,901	Contingent liabilities	26	13,801	11,620
6,707	5,313	Other commitments	27	5,472	6,906
		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		
		Hedge accounting	32		
		Group structure	33		
		Nykredit Bank Group – seven quarters	34		
		Nykredit Bank Group – financial highlights	35		

Statement of changes in equity for 1 January – 30 September

DKK million

Nykredit Bank A/S

	Share capital*	Statutory reserves	Retained earnings	Total
EQUITY, 30 SEPTEMBER 2014				
End of previous financial year	6,045	261	8,042	14,348
Total	6,045	261	8,042	14,348
Comprehensive income				
Loss for the period	-	-	(826)	(826)
Total comprehensive income	-	-	(826)	(826)
Total changes in equity	-	-	(826)	(826)
Equity, 30 September 2014	6,045	261	7,216	13,522
EQUITY, 30 SEPTEMBER 2013				
End of previous financial year	6,045	151	8,074	14,270
Total	6,045	151	8,074	14,270
Comprehensive income				
Profit for the period	-	-	82	82
Total comprehensive income	-	-	82	82
Total changes in equity	-	-	82	82
Equity, 30 September 2013	6,045	151	8,156	14,352

Statement of changes in equity for 1 January – 30 September

DKK million

Nykredit Bank Group

	Share capital*	Retained earnings	Total
EQUITY, 30 SEPTEMBER 2014			
End of previous financial year	6,045	8,303	14,348
Total	6,045	8,303	14,348
Comprehensive income			
Loss for the period		(826)	(826)
Total comprehensive income	-	(826)	(826)
Total changes in equity	-	(826)	(826)
Equity, 30 September 2014	6,045	7,477	13,522
EQUITY, 30 SEPTEMBER 2013			
End of previous financial year	6,045	8,225	14,270
Total	6,045	8,225	14,270
Comprehensive income			
Profit for the period	-	82	82
Total comprehensive income	-	82	82
Total changes in equity	-	82	82
Equity, 30 September 2013	6,045	8,307	14,352

* The share capital breaks down into 18 shares in multiples of DKK 1m. The share capital is wholly owned by Nykredit Realkredit A/S, Copenhagen, Denmark.

Nykredit Bank is included in the consolidated financial statements of this company and the consolidated financial statements of Foreningen Nykredit, Kalvebod Brygge 1-3, Copenhagen, Denmark, which owns 89.80% of Nykredit Realkredit A/S.

The financial statements [in Danish] of Foreningen Nykredit may be obtained from the company.

Cash flow statement 1 January – 30 September

DKK million

	Nykredit Bank Group	
	Q3/2014	Q3/2013
Profit (loss) after tax for the period	(826)	82
Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions		
Depreciation and impairment losses for property, plant and equipment	6	7
Other non-cash changes	(5)	3
Impairment losses on loans, advances and receivables	140	492
Tax calculated on profit (loss) for the period	(271)	146
Total	(130)	648
Profit (loss) for the period adjusted for non-cash operating items	(956)	730
Change in working capital		
Loans, advances and other receivables	15,493	(14,673)
Deposits and other payables	(5,570)	4,634
Payables to credit institutions and central banks	3,308	17,113
Bonds at fair value	(15,263)	(28,286)
Equities	16	6
Other working capital	3,939	(1,020)
Total	1,923	(22,226)
Corporation tax paid, net	(5)	(3)
Cash flows from operating activities	962	(21,499)
Cash flows from investing activities		
Property, plant and equipment	(36)	22
Total	(36)	22
Cash flows from financing activities		
Capital increase	-	-
Subordinated debt	(150)	0
Issued bonds	(2,635)	(2,014)
Total	(2,785)	(2,014)
Total cash flows	1,859	(23,491)
Cash and cash equivalents, beginning of period	23,173	44,812
Foreign currency translation adjustment of cash	978	150
Cash and cash equivalents, end of period	22,292	21,471
Cash and cash equivalents, end of period		
Specification of cash and cash equivalents, end of period:		
Cash balances and demand deposits with central banks	259	3,167
Receivables from credit institutions and central banks	22,033	18,304
Cash and cash equivalents, end of period	22,292	21,471

Notes

1. ACCOUNTING POLICIES

GENERAL

The Consolidated Financial Statements for Q1-Q3/2014 are prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS but also a less detailed presentation relative to the annual report.

The Interim Financial Statements for Q1-Q3/2014 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.

New and amended standards, interpretations and reporting provisions

Reporting standards and interpretations in force as at 1 January 2014 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 2013 (note 1), no new reporting standards or interpretations have been issued or approved which influence the Q1-Q3 Interim Report 2014 of Nykredit Bank A/S and the Nykredit Bank Group.

The revised standard, IFRS 9, which will replace the current IAS 39 rules on classification and measurement of financial assets and liabilities as well as impairment, was issued in July 2014 but the standard has not yet been approved by the EU. The new rules are expected to enter into force on 1 January 2018. We are assessing the impact on the Financial Statements of the Parent Company and the Consolidated Financial Statements, but as the standard has recently been issued, a thorough analysis of the impact is not yet available.

Due to the new provisions of the Danish Executive Order on Presentation of Financial Statements, the Interim Report includes information about the revenue and staff numbers of Nykredit Bank's branches and subsidiaries abroad.

Change in the presentation of business areas

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

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

Going forward, the Bank's Treasury function will be undertaken by Nykredit's Group Treasury. Costs related to the function will subsequently be allocated to Nykredit Bank based on an intercompany agreement.

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

In Q1-Q3/2014 the most significant effect of the organisational changes was the allocation of profit before tax of around DKK 64m from Retail to Wholesale.

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

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

The accounting policies are otherwise unchanged compared with the Annual Report 2013. For a full description of the Group's and the Parent Company's accounting policies, please refer to note 1 of the Annual Report 2013, which is available at nykredit.com.

All figures in the Q1-Q3 Interim Report 2014 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

	30.09.2014	31.12.2013	30.09.2013
2. CAPITAL AND CAPITAL ADEQUACY			
Nykredit Bank A/S			
Equity	13,522	14,347	14,352
Prudent valuation adjustment	(391)	-	-
Intangible assets	(56)	(23)	(23)
Common Equity Tier 1 (CET1) capital deductions	(447)	(23)	(23)
CET1 capital	13,075	14,324	14,329
Additional Tier 1 capital	100	250	250
Transitional adjustment of Additional Tier 1 capital	-	(17)	(41)
Additional Tier 1 capital	100	233	209
Tier 1 capital	13,175	14,557	14,538
Provisions relative to expected losses in accordance with IRB approach	391	385	-
Transitional adjustment of Tier 2 capital	-	(27)	-
Own funds	13,566	14,915	14,538
Credit risk	75,161	70,098	46,927
Market risk	12,905	13,291	17,411
Operational risk	4,361	5,483	5,483
Total risk exposure amount	92,426	88,872	69,821
Tier 1 capital ratio, %	14.2	16.4	20.8
Total capital ratio, %	14.6	16.8	20.8

Notes

DKK million

	30.09.2014	31.12.2013	30.09.2013
2. CAPITAL AND CAPITAL ADEQUACY (continued)			
Nykredit Bank Group			
Equity	13,522	14,347	14,352
Prudent valuation adjustment	(391)	-	-
Intangible assets	(56)	(23)	(23)
Common Equity Tier 1 (CET1) capital deductions	(447)	(23)	(23)
CET1 capital	13,075	14,324	14,329
Additional Tier 1 capital	100	250	250
Transitional adjustment of Additional Tier 1 capital	-	(17)	(20)
Additional Tier 1 capital	100	233	230
Tier 1 capital	13,175	14,557	14,559
Provisions relative to expected losses in accordance with IRB approach	377	374	-
Transitional adjustment of Tier 2 capital	-	(18)	-
Own funds	13,552	14,913	14,559
Credit risk	74,051	69,481	46,049
Market risk	12,905	13,291	17,412
Operational risk	4,904	5,937	5,937
Total risk exposure amount	91,860	88,709	69,398
Tier 1 capital ratio, %	14.3	16.4	21.0
Total capital ratio, %	14.7	16.8	21.0

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

The statements as at 31 December 2013 and 30 September 2013 are based on the then applicable rules of the Danish Financial Business Act. The layout has been adjusted to reflect the new presentation format.

Notes

DKK million

Nykredit Bank Group

3. CORE EARNINGS AND INVESTMENT PORTFOLIO INCOME	Q1-Q3/2014			Q1-Q3/2013		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
1 January – 30 September						
Net interest income	1,793	82	1,875	1,783	69	1,852
Dividend on equities	18	7	25	6	12	18
Fee and commission income, net	693	(3)	690	604	(63)	541
Net interest and fee income	2,504	86	2,590	2,393	18	2,411
Value adjustments	(2,013)	(28)	(2,041)	(508)	(60)	(568)
Other operating income	23	-	23	23	-	23
Staff and administrative expenses	1,490	-	1,490	1,470	-	1,470
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	6	-	6	7	-	7
Other operating expenses	54	-	54	53	-	53
Impairment losses on loans and advances	119	-	119	329	-	329
Profit from investments in associates and group enterprises	-	-	-	78	-	78
Profit (loss) before tax	(1,155)	58	(1,097)	127	(42)	85

Notes

DKK million

Nykredit Bank Group

4. BUSINESS AREAS

Q1-Q3/2014

Core income from

- customer activities, gross
- payment for distribution

	Retail	Wholesale	Group Items	Total
- customer activities, gross	888	1,598	1	2,487
- payment for distribution	418	(418)	0	-
Total business operations	1,306	1,180	1	2,487
- value adjustment of derivatives	(1,168)	(825)	-	(1,993)
- core income from securities	-	-	21	21
Total*	138	355	22	515
Operating costs	727	596	228	1,551
Core earnings before impairment losses	(589)	(241)	(206)	(1,036)
Impairment losses on loans and advances	111	4	4	119
Core earnings after impairment losses	(700)	(245)	(210)	(1,155)
Investment portfolio income ¹	-	-	58	58
Loss before tax for the period	(700)	(245)	(152)	(1,097)
* Of which transactions between business areas.	418	(703)	285	0
Costs excl impairment losses as % of core income from business operations	55.7	50.5	-	62.4
Average equity requirement ²	5,486	7,833	1,120	14,439
Core earnings after impairment losses as % of allocated capital (pa)	(17.0)	(4.2)	-	(10.7)

The most significant change resulting from the reorganisation was a negative earnings impact of DKK 64m in Retail and a positive earnings impact of DKK 64m in Wholesale.

Q1-Q3/2013

Core income from

- customer activities, gross
- payment for distribution

	Retail	Wholesale	Group Items	Total
- customer activities, gross	833	1,682	(64)	2,451
- payment for distribution	419	(419)	0	0
Total business operations	1,252	1,263	(64)	2,451
- value adjustment of derivatives	(118)	(451)	-	(569)
- core income from securities	-	-	26	26
Total*	1,134	812	(38)	1,908
Operating costs	625	621	284	1,530
Profit from investments in associates and group enterprises	78	-	-	78
Core earnings before impairment losses	587	191	(322)	456
Impairment losses on loans and advances	196	144	(11)	329
Core earnings after impairment losses	391	47	(311)	127
Investment portfolio income ¹	-	-	(42)	(42)
Profit (loss) before tax for the period	391	47	(353)	85
* Of which transactions between business areas.	356	(673)	317	0
Costs excl impairment losses as % of core income from business operations	49.9	49.2	-	62.4
Average equity requirement ²	5,455	6,461	913	12,829
Core earnings after impairment losses as % of allocated capital (pa)	9.6	1.0	-	1.3

As a result of the reorganisation, comparative figures have been restated, thus reducing Retail results by DKK 78m and increasing Wholesale and Group Items results by DKK 72m and DKK 6m, respectively. Core income was particularly affected by a transfer of about DKK 168m from Retail to Wholesale. Operating costs relating to Retail were down DKK 77m, whereas Wholesale saw an increase of DKK 86m. Impairment losses in Retail dropped DKK 13m, which was allocated to Wholesale.

¹ Investment portfolio income equals the return on the Bank's own portfolio exceeding risk-free interest. In Q1/2013, investment portfolio income also included expenses in connection with an intercompany guarantee. The loss guarantee was terminated by the Bank's Management at end-2013.

² The equity requirement has been determined as Nykredit's ICAAP result. Comparative figures have been restated.

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
Q1-Q3/2013	Q1-Q3/2014	Q1-Q3/2014	Q1-Q3/2013
5. INTEREST INCOME			
31	26	26	31
1,859	1,739	1,816	1,921
723	891	895	726
(34)	(158)	(158)	(34)
Of which			
(19)	13	13	(19)
24	(151)	(151)	24
(35)	(42)	(42)	(35)
(4)	22	22	(4)
20	12	13	22
2,599	2,510	2,592	2,666
Of which interest income from genuine purchase and resale transactions entered as			
22	19	19	22
131	120	120	131
6. INTEREST EXPENSES			
119	159	162	119
345	281	281	345
341	264	264	341
9	8	8	9
0	2	2	0
814	714	717	814
Of which interest expenses for genuine sale and repurchase transactions entered as			
22	92	92	22
56	36	36	56
7. VALUE ADJUSTMENTS			
7	0	0	7
(43)	(252)	(255)	(45)
47	76	76	47
45	(32)	(32)	45
(622)	(1,830)	(1,830)	(622)
(566)	(2,038)	(2,041)	(568)

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

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

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
Q1-Q3/ 2013	Q1-Q3/2014	Q1-Q3/2014	Q1-Q3/2013
8. STAFF AND ADMINISTRATIVE EXPENSES			
7	8	8	7
537	521	597	610
782	815	885	853
1,326	1,344	1,490	1,470
Remuneration of Board of Directors and Executive Board			
Board of Directors			
0	0	0	0
Staff-elected board representatives each receive annual remuneration of DKK 60,000. No additional remuneration is paid to the Board of Directors.			
Executive Board			
7	8	8	7
7	8	8	7
The terms and conditions governing the remuneration and pensions of the Executive Board have not changed since the Annual Report 2013, to which reference is made.			
Staff expenses			
427	419	482	488
43	42	49	49
67	60	66	73
537	521	597	610
714	684	829	855
9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
Specification of impairment provisions			
3,722	3,230	3,276	3,774
19	23	23	19
324	431	430	325
4,065	3,684	3,729	4,118
Individual impairment provisions for loans, advances and receivables			
3,775	3,563	3,605	3,821
700	402	423	722
438	387	400	448
315	348	352	321
3,722	3,230	3,276	3,774
Individual impairment provisions for receivables from credit institutions			
-	19	19	-
19	4	4	19
19	23	23	19
Collective impairment provisions			
235	369	369	236
89	62	61	89
324	431	430	325

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
Q1-Q3/2013	Q1-Q3/2014	Q1-Q3/2014	Q1-Q3/2013
9. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)			
Earnings impact			
370	81	Change in provisions for loan and receivable impairment	88 382
42	32	Write-offs for the period, net	39 49
163	20	Recoveries on claims previously written off	21 163
249	93	Total impairment losses	106 268
61	13	Provisions for guarantees	13 61
310	106	Total	119 329
221	44	Of which individual impairment provisions	58 240
89	62	Of which collective impairment provisions	61 89
19	4	Of which credit institutions	4 19
Receivables from credit institutions with objective evidence of impairment			
25	25	Receivables subject to individual impairment provisioning	25 25
19	23	Impairment provisions	23 19
6	2	Carrying amount	2 6
Loans and advances with objective evidence of impairment			
5,798	4,930	Loans and advances at amortised cost subject to individual impairment provisioning	5,065 5,919
3,722	3,230	Impairment provisions	3,276 3,774
2,076	1,700	Carrying amount	1,789 2,145
47,095	45,809	Loans and advances at amortised cost subject to collective impairment provisioning	46,943 47,376
324	431	Impairment provisions	430 325
46,771	45,378	Carrying amount	46,513 47,051
10. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
65	81	Profit from investments in group enterprises	- -
78	-	Profit from investments in associates	- 78
143	81	Total	- 78
11. TAX			
(16)	(297)	Tax for the period	(271) 3
(16)	(297)	Total	(271) 3
1	(1)	Of which effect due to change in future tax level (deferred tax)	(1) (2)
(24.2)	26.4	Tax on profit (loss) for the period, %	24.7 3.5
Tax is calculated on the basis of a tax rate of 24.5% for 2014. Due to a change in the tax rate from 25% in 2013 to 22% in 2016, the calculation of the Bank's deferred tax is based on an estimate of when the deferred tax will become current tax/the deferred tax assets will be realised.			
Tax for the period was also affected by non-taxable profit on sector equities and adjustment of previous years' tax.			
The full-year tax rate is expected to be around 25-30%.			

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2013	30.09.2014		30.09.2014	31.12.2013
12. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
2,069	0	Receivables at call from central banks	0	2,069
18,054	22,033	Receivables from credit institutions	22,033	18,055
20,123	22,033	Total	22,033	20,124
10,437	11,343	Of which genuine purchase and resale transactions	11,343	10,437
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE				
56,814	40,137	Genuine purchase and resale transactions	40,137	56,814
56,814	40,137	Total	40,137	56,814
14. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST				
45,906	47,078	Loans and advances at amortised cost	48,301	47,024
45,906	47,078	Total	48,301	47,024
15. BONDS AT FAIR VALUE				
56,225	67,522	Covered bonds (realkreditobligationer, ROs)	67,871	56,440
4,505	4,167	Government bonds	4,167	4,505
5,560	8,521	Other bonds	8,521	5,560
66,290	80,210	Total	80,559	66,505
2,642	2,283	Self-issued bonds offset against issued bonds	2,283	2,642
63,648	77,927	Total	78,276	63,863
The effect of fair value adjustment was recognised in the income statement.				
12,065	7,645	Of which redeemed bonds	7,645	12,065
38,659	36,682	Assets sold as part of genuine sale and repurchase transactions	36,682	38,659
14,917	9,706	As collateral for the Danish central bank, Danmarks Nationalbank, and foreign clearing centres, etc, bonds have been deposited of a total market value of	9,706	14,917
The collateral was provided on an arm's length basis.				

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2013	30.09.2014		30.09.2014	31.12.2013
		16. EQUITIES		
192	159	Listed on NASDAQ OMX Copenhagen A/S	160	192
15	7	Listed on other stock exchanges	7	15
149	173	Unlisted equities carried at fair value	173	149
356	339	Total	340	356
		17. ASSETS IN TEMPORARY POSSESSION		
49	79	Assets, beginning of year	212	904
45	5	Additions	5	45
15	28	Disposals	161	737
79	56	Total	56	212
		At 31 December 2013 and 30 September 2014, assets in temporary possession comprised acquired properties and shares in a property company.		
		Nykredit Bank accepts mortgages over real estate as security for loans, and in a number of instances the Bank acquires the properties in the event of borrowers' non-performance of loan agreements etc.		
		The valuation of assets in temporary possession is based on the expected sales values in case of disposal within a period of 12 months.		
		18. OTHER ASSETS		
5,160	3,911	Interest and commission receivable	3,942	5,206
25,896	35,308	Positive market value of derivative financial instruments	35,308	25,896
1,437	1,411	Other	1,416	1,453
32,493	40,630	Total	40,666	32,555
		19. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS		
407	2,532	Payables to central banks	2,532	407
56,580	57,093	Payables to credit institutions	57,838	57,325
56,987	59,625	Total	60,370	57,732
20,447	13,885	Of which genuine sale and repurchase transactions	13,885	20,447
		20. DEPOSITS AND OTHER PAYABLES		
43,012	40,654	On demand	40,573	42,924
6,271	5,948	At notice	5,948	6,271
13,179	10,913	Time deposits	10,913	13,129
3,081	3,044	Special deposits	3,044	3,081
65,543	60,559	Total	60,478	65,405
		Deposit surplus		
65,543	60,559	Deposits and other payables at amortised cost	60,478	65,405
45,906	47,078	Loans, advances and other receivables at amortised cost	48,301	47,024
19,637	13,481	Total	12,177	18,381
18,513	22,754	Deposits attributable to genuine sale and repurchase transactions in "Other non-derivative financial liabilities at fair value"	22,754	18,513

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2013	30.09.2014		30.09.2014	31.12.2013
21. ISSUED BONDS AT AMORTISED COST				
Issues				
20,592	15,862	EMTN issues*	15,862	20,592
8,718	10,837	ECP issues*	10,837	8,718
21	7	Employee bonds	7	21
29,331	26,706	Total	26,706	29,331
2,642	2,283	Own portfolio	2,283	2,642
26,689	24,423	Total	24,423	26,689
No value adjustments have been made that can be attributed to changes in own credit risk. * Listed on NASDAQ OMX Copenhagen A/S or the Luxembourg Stock Exchange.				
22. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE				
18,513	22,754	Deposits at fair value	22,754	18,513
10,735	10,697	Negative securities portfolios	10,697	10,735
29,248	33,451	Total	33,451	29,248
18,513	22,754	Deposits at fair value: Of which genuine sale and repurchase transactions	22,754	18,513
23. OTHER LIABILITIES				
5,760	4,200	Interest and commission payable	4,198	5,759
23,444	32,919	Negative market value of derivative financial instruments	32,919	23,444
664	527	Other payables	765	872
29,868	37,646	Total	37,882	30,075

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
31.12.2013	30.09.2014	30.09.2014	31.12.2013
24. PROVISIONS			
Provisions for losses under guarantees			
82	103	103	82
77	35	35	77
56	22	22	56
0	0	0	0
103	116	116	103
Other provisions			
124	69	69	124
54	-	-	54
0	7	7	0
109	-	-	109
69	62	62	69
Total provisions for losses under guarantees and other provisions			
206	172	172	206
131	35	35	131
56	29	29	56
109	0	0	109
172	178	178	172
<p>As a result of its operations, the Bank continuously enters into contracts where it is probable that the settlement of the liability will lead to an outflow of the Bank's financial resources, and where a reliable estimate may be made of the size of the liability.</p> <p>The balance sheet items in the financial statements represent the Bank's best estimates of the expected costs relating to provisions.</p> <p>The provisions typically concern contractual obligations relating to loans and advances and other banking activities.</p> <p>It is estimated that the majority of provisions will be settled within 1-2 years.</p>			
25. SUBORDINATED DEBT			
Subordinated debt consists of financial liabilities in the form of Additional Tier 1 capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.			
Additional Tier 1 capital			
100	100	100	100
150	-	-	150
250	100	100	250
Included in the determination of own funds			
250	100	100	250
-	-	-	-
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	
31.12.2013	30.09.2014		30.09.2014	31.12.2013
		26. CONTINGENT LIABILITIES		
7,972	9,013	Financial guarantees	9,013	7,972
846	939	Registration and refinancing guarantees	939	846
2,901	3,949	Other contingent liabilities	3,849	2,802
11,719	13,901	Total	13,801	11,620

OTHER CONTINGENT LIABILITIES

Legal proceedings

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

Guarantee Fund for Depositors and Investors

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

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

Joint taxation

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

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
31.12.2013	30.09.2014		30.09.2014	31.12.2013
		27. OTHER COMMITMENTS		
6,527	5,135	Irrevocable credit commitments	5,135	6,527
180	178	Other	337	379
6,707	5,313	Total	5,472	6,906

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 2013 or in Q1-Q3/2014.

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

Significant related party transactions prevailing/entered into in 2013 or 2014 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

Nykredit Bank Group

29. LOANS, ADVANCES, GUARANTEES AND PROVISIONS

Loans, advances, guarantees and provisions by sector

30 September 2014

	Loans and advances	Carrying amount		Proportion, %	Individual impairment and other provisions	Provisions	
		Guarantees	Total loans, advances and guarantees			Collective impairment provisions	Total
Public sector	263	432	695	0.7	0	7	7
Commercial customers							
Agriculture, hunting, forestry and fishing	1,702	434	2,136	2.1	132	9	141
Manufacturing, mining and quarrying	5,397	234	5,631	5.5	231	13	244
Energy supply	771	35	806	0.8	10	0	10
Construction	1,416	523	1,939	1.9	252	3	255
Trade	2,975	305	3,280	3.2	141	7	148
Transport, accommodation and food service activities	2,595	428	3,023	3.0	100	3	103
Information and communication	976	138	1,114	1.1	69	3	72
Finance and insurance	43,164	1,384	44,548	43.6	382	4	386
Real estate	9,056	1,771	10,827	10.6	1,163	235	1,398
Other	7,658	1,058	8,716	8.5	342	12	354
Total commercial customers	75,710	6,310	82,020	80.2	2,822	289	3,111
Personal customers	12,466	7,059	19,525	19.1	570	135	705
Total	88,439	13,801	102,240	100.0	3,392	431	3,823
Of which reverse lending (loans and advances at fair value)	40,137	-	40,137	39.3	-	-	-

31 December 2013

	Loans and advances	Carrying amount		Proportion, %	Individual impairment and other provisions	Provisions	
		Guarantees	Total loans, advances and guarantees			Collective impairment provisions	Total
Public sector	259	234	493	0.4	0	8	8
Commercial customers							
Agriculture, hunting, forestry and fishing	1,640	386	2,026	1.8	168	9	177
Manufacturing, mining and quarrying	4,763	263	5,026	4.4	219	42	261
Energy supply	1,733	10	1,743	1.5	6	2	8
Construction	1,392	404	1,796	1.6	258	4	262
Trade	2,301	256	2,557	2.2	189	6	195
Transport, accommodation and food service activities	2,411	614	3,025	2.6	120	6	126
Information and communication	788	160	948	0.8	65	3	68
Finance and insurance	59,924	1,644	61,568	53.3	435	10	445
Real estate	8,872	1,804	10,676	9.2	1,317	148	1,465
Other	6,969	842	7,811	6.8	393	29	422
Total commercial customers	90,793	6,383	97,176	84.2	3,170	259	3,429
Personal customers	12,786	5,003	17,789	15.4	538	103	641
Total	103,838	11,620	115,458	100.0	3,708	370	4,078
Of which reverse lending (loans and advances at fair value)	56,814	-	56,814	49.2	-	-	-

Provisioning rate, %

Group

	Q3/2014	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Total loans and advances	88,438	92,236	83,909	103,838	99,345	99,221	93,368
Total guarantees	13,801	12,028	12,306	11,620	10,709	10,706	10,084
Impairment provisions for loans and advances at amortised cost	3,706	3,742	3,820	3,975	4,099	3,999	4,067
Provisions for guarantees	116	110	113	103	143	114	142
Total loans, advances, guarantees and provisions	106,061	108,116	100,148	119,536	114,296	114,040	107,661
Provisioning rate, %	3.6	3.6	3.9	3.4	3.7	3.6	3.9
Provisioning rate excluding guarantees, %	4.0	3.9	4.4	3.7	4.0	3.9	4.2

Notes

DKK million

Nykredit Bank Group

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

30 September 2014

	Listed prices	Observable inputs	Un-observable inputs	Total (carrying amounts)
Financial instruments in the form of assets:				
Trading book:				
Balances with credit institutions (reverse lending measured at fair value)		11,343		11,343
Loans and advances at fair value		40,137		40,137
Bonds at fair value	68,443	9,833		78,276
Equities	227		113	340
Positive market value of derivative financial instruments	1,637	32,118	1,553	35,308
Fair value, 30 September 2014, assets	70,307	93,431	1,666	165,404
Percentage	42.5	56.5	1.0	100.0

Financial instruments in the form of liabilities:

Trading book:				
Payables to credit institutions and central banks (repo deposits measured at fair value)		13,885		13,885
Other non-derivative financial liabilities at fair value	10,697	22,754		33,451
Negative market value of derivative financial instruments	1,273	31,301	345	32,919
Fair value, 30 September 2014, liabilities	11,970	67,940	345	80,255
Percentage	14.9	84.7	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 Observable inputs		0	465	465
Transferred to Observable inputs		0	(212)	(212)
Capital gains and losses recognised in the income statement		26	6	32
Additions		2	0	2
Disposals		(33)	0	(33)
Fair value, 30 September 2014, assets		113	1,553	1,666
Fair value, beginning of period, liabilities			242	242
Capital gains and losses recognised in the income statement			103	103
Additions			0	0
Disposals			0	0
Fair value, 30 September 2014, liabilities			345	345

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

In Q1-Q3/2014, no significant reclassifications were made between the categories Listed prices and Observable inputs.

For 2014 unrealised negative value adjustments of DKK 64m relating to the portfolio of financial instruments measured on the basis of unobservable inputs were recognised in the income statement at 30 September 2014.

Notes

DKK million

Nykredit Bank Group

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

31 December 2013

	Listed prices	Observable inputs	Unobservable inputs	Total (carrying amounts)
Financial instruments in the form of assets:				
Trading book:				
Balances with credit institutions (reverse lending measured at fair value)		10,437		10,437
Loans and advances at fair value		56,814		56,814
Bonds at fair value	53,384	10,479		63,863
Equities	238		118	356
Positive market value of derivative financial instruments	491	24,111	1,294	25,896
Fair value, 31 December 2013, assets	54,113	101,841	1,412	157,366

Percentage	34.4	64.7	0.9	100.0
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Financial instruments in the form of liabilities:

Trading book:				
Payables to credit institutions and central banks (repo deposits measured at fair value)		20,447		20,447
Other non-derivative financial liabilities at fair value	10,735	18,513		29,248
Negative market value of derivative financial instruments	540	22,662	242	23,444
Fair value, 31 December 2013, liabilities	11,275	61,622	242	73,139

Percentage	15.4	84.3	0.3	100.0
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Financial instruments measured on the basis of unobservable inputs

	Bonds	Equities	Derivatives	Total
Fair value, beginning of period, assets		162	651	813
Transferred from Observable inputs			1,823	1,823
Transferred to Observable inputs			(113)	(113)
Capital gains and losses recognised in the income statement		(10)	(1,067)	(1,077)
Additions		2		2
Disposals		(36)		(36)
Fair value, 31 December 2013, assets		118	1,294	1,412

Fair value, beginning of period, liabilities			166	166
Capital gains and losses recognised in the income statement			76	76
Additions			0	0
Disposals			0	0
Fair value, 31 December 2013, liabilities			242	242

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

For 2013 unrealised negative value adjustments of DKK 1,085m relating to the portfolio of financial instruments measured on the basis of unobservable inputs were recognised in the income statement at 31 December 2013.

Notes

Nykredit Bank Group

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

Listed prices

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

Observable inputs

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

Observable inputs are typically yield curves, volatility and market prices of similar instruments which are usually obtained through ordinary providers such as Reuters, Bloomberg and market makers. If the fair value is based on transactions in similar instruments, measurement is exclusively based on transactions at arm's length.

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

Reverse lending, repo deposits and unlisted derivatives generally belong in this category.

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

Unobservable inputs

When it is not possible to measure financial instruments at fair value 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.

To some extent the Bank's unlisted equities belong in this category.

Reclassifications between the categories Listed prices, Observable inputs and Unobservable inputs are made when an instrument is classified differently on the balance sheet date than at the beginning of the financial year. In 2014 reclassifications between the categories Observable inputs and Unobservable inputs resulted from changes to the rating categories of counterparties (credit risk) in all material respects.

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

This category also comprises interest rate swaps which have been value adjusted to DKK 0 (after deduction for collateral) due to the creditworthiness of the counterparty.

Following the above value adjustments, the fair value of these swaps came to DKK 1,270m at 30 September 2014 and they thus represent the majority of the derivatives with positive market values in this category. Credit value adjustments came to DKK 2,706m at 30 September 2014.

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.

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 September 2014, the proportion was 1.0% against 0.9% at 31 December 2013. The share of financial liabilities was 0.4% against 0.3% at 31 December 2013.

Measurement, notably of instruments the measurement of which is based on Unobservable inputs, is inherently subject to some uncertainty. Of total assets and liabilities, DKK 1.6bn (end-2013: DKK 1.4bn) and DKK 0.3bn (end-2013: DKK 0.2bn), respectively, were attributable to this category. Assuming that an actual market price will deviate by +/- 10% from the calculated fair value, the earnings impact will be approximately DKK 190m in 2014 (1.40% of equity at 30 September 2014). The earnings impact for 2013 has been calculated at DKK 165m (1.15% of equity at 31 December 2013).

Notes

DKK million

Nykredit Bank A/S		Nykredit Bank Group	
30.09.2013	30.09.2014	30.09.2014	30.09.2013
31. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES			
Foreign exchange risk			
68	283	Exchange rate indicator 1 (DKKm)	283 68
0.5	2.1	Exchange rate indicator 1 as % of Tier 1 capital	2.1 0.5
0	0	Exchange rate indicator 2 (DKKm)	0 0
0.0	0.0	Exchange rate indicator 2 as % of Tier 1 capital	0.0 0.0
Interest rate risk by the currency involving the highest interest rate exposure			
259	290	DKK	291 260
(169)	(289)	EUR	(289) (169)
18	(15)	SEK	(15) 18
(7)	(15)	USD	(15) (7)
5	11	NOK	11 5
3	2	GBP	2 3
1	0	Other currencies	0 1
110	(16)	Total interest rate exposure of debt instruments	(15) 111

32. HEDGE ACCOUNTING

The Nykredit Bank Group continuously hedges the interest rate risk of fixed-rate assets and liabilities using derivative financial instruments etc.

This enables the Group to manage the level of its aggregate interest rate sensitivity taking into consideration the expected interest rate development.

According to reporting provisions, loans, advances and deposits must generally be measured at amortised cost, while derivative financial instruments are measured at fair value. To obtain accounting symmetry between hedging and hedged transactions, adjustment of the carrying amounts of the financial assets and liabilities that form part of the effective hedge accounting has been allowed. The fair value adjustment exclusively concerns the hedged part (the interest rate exposure).

Notes

DKK million

Nykredit Bank A/S			Nykredit Bank Group	
30.09.2013	30.09.2014		30.09.2014	30.09.2013
		32. HEDGE ACCOUNTING (continued)		
		HEDGED FIXED-RATE ASSETS		
1,376	3,931	Loans, advances and other receivables at amortised cost	3,931	1,376
1,376	3,931	Total nominal value	3,931	1,376
		Market value of hedged fixed-rate assets		
1,414	3,968	Loans, advances and other receivables at amortised cost	3,968	1,414
1,414	3,968	Total carrying amount, end of period	3,968	1,414
		Fair value adjustment for accounting purposes		
38	37	Loans, advances and other receivables at amortised cost	37	38
38	37	Total fair value adjustment for accounting purposes	37	38
		HEDGED FIXED-RATE LIABILITIES		
-	4,865	Deposits and other payables at amortised cost	4,865	-
-	4,865	Total nominal value	4,865	-
		Market value of hedged fixed-rate liabilities		
-	5,143	Deposits and other payables at amortised cost	5,143	-
-	5,143	Total carrying amount, end of period	5,143	-
		Fair value adjustment for accounting purposes		
-	(278)	Deposits and other payables at amortised cost	(278)	-
-	(278)	Total fair value adjustment for accounting purposes	(278)	-
		ISSUED BONDS		
7,622	7,451	Issued bonds at amortised cost	7,451	7,622
7,622	7,451	Total nominal value	7,451	7,622
		Market value of hedged fixed-rate financial liabilities		
7,718	7,594	Issued bonds at amortised cost	7,594	7,718
7,718	7,594	Total carrying amount, end of period	7,594	7,718
		Fair value adjustment for accounting purposes		
(96)	(143)	Issued bonds at amortised cost	(143)	(96)
(96)	(143)	Total fair value adjustment for accounting purposes	(143)	(96)
		HEDGING DERIVATIVE FINANCIAL INSTRUMENTS		
7,540	14,197	Nominal value (synthetic principal)	14,197	7,540
57	393	Market value adjustment (negative market value)	393	57
		FAIR VALUE ADJUSTMENT DIFFERENCE		
(1)	9	Total	9	(5)
		Hedged and hedging financial instruments have been fair value adjusted for accounting purposes through profit or loss.		
		Amounts recognised through profit or loss for the financial period		
108	(134)	Hedged transactions	(134)	108
(108)	158	Hedging transactions	158	(108)

Notes

DKK million

33. GROUP STRUCTURE

Name and registered office

Nykredit Bank A/S (Parent Company), Copenhagen, a)

Consolidated subsidiaries

Nykredit Portefølje Administration A/S, Copenhagen, e)

Nykredit Pantebrevsinvestering A/S, Copenhagen, b)

Nykredit Leasing A/S, Gladsaxe, c)

FB Ejendomme A/S, Copenhagen, d)

Associates

Dansk Pantebrevsbørs A/S, Copenhagen, b)

The company is subject to bankruptcy proceedings.

	Ownership interest as %, 30 September 2014	Profit (loss) for the period	Equity, 30 September 2014	Profit for 2013	Equity, 31 December 2013	Number of staff
Nykredit Bank A/S (Parent Company), Copenhagen, a)	-	(826)	13,522	77	14,347	684
Nykredit Portefølje Administration A/S, Copenhagen, e)	100	52	375	64	323	92
Nykredit Pantebrevsinvestering A/S, Copenhagen, b)	100	0	12	0	12	0
Nykredit Leasing A/S, Gladsaxe, c)	100	29	235	46	206	53
FB Ejendomme A/S, Copenhagen, d)	100	0	4	0	4	0
Dansk Pantebrevsbørs A/S, Copenhagen, b)	50	-	-	0	-	-

Geographical distribution of activities

Denmark, names and activities appear from the group structure

Sweden, Nykredit Bank A/S, branch, a)

	Number of staff	Revenue*	Profit (loss) before tax	Tax	Government aid received
Denmark, names and activities appear from the group structure	817	3,629	(1,099)	(271)	-
Sweden, Nykredit Bank A/S, branch, a)	12	4	2	0	-

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

a) Banking

b) Mortgage trading

c) Leasing

d) Property management

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

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

Subsidiaries in temporary possession

The property group Kalvebod III has been included in the balance sheet items "Assets in temporary possession" and "Other liabilities".

At 30 September 2014, the property group comprised a number of subsidiaries without activities.

A subsidiary owning one property was divested in 2014. The divestment did not generate income for accounting purposes.

Notes

DKK million

	Q3/2014	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
34. NYKREDIT BANK GROUP – SEVEN QUARTERS							
SUMMARY INCOME STATEMENT							
Net interest income	614	631	630	629	679	595	578
Dividend on equities and fee and commission income, net	216	272	227	225	172	206	181
Net interest and fee income	830	903	857	854	851	801	759
Value adjustments	(1,558)	(185)	(298)	(247)	(724)	110	46
Other operating income	10	6	7	6	7	9	7
Staff and administrative expenses	471	511	508	522	492	509	469
Other operating expenses, depreciation and amortisation	22	19	19	71	19	14	27
Impairment losses on loans, advances and receivables	80	(1)	40	20	163	(51)	217
Profit from investments in associates and group enterprises	-	-	-	-	48	30	-
Profit (loss) before tax	(1,291)	195	(1)	0	(492)	478	99
Tax	(313)	33	9	5	(143)	121	25
Profit (loss) for the period	(978)	162	(10)	(5)	(349)	357	74
Comprehensive income							
Other comprehensive income	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	(978)	162	(10)	(5)	(349)	357	74
SUMMARY BALANCE SHEET, END OF PERIOD							
Assets							
Cash balances and receivables from central banks and credit institutions	22,292	27,790	29,389	23,173	21,471	27,853	29,287
Loans, advances and other receivables at fair value	40,137	45,328	35,831	56,814	50,149	48,797	43,097
Loans, advances and other receivables at amortised cost	48,301	46,908	48,078	47,024	49,196	50,424	50,271
Bonds at fair value	78,276	79,635	82,114	63,863	85,896	79,997	63,823
Equities	340	333	357	356	347	316	427
Remaining assets	41,151	36,906	33,102	32,904	41,347	44,638	52,427
Total assets	230,497	236,900	228,871	224,134	248,406	252,025	239,322
Liabilities and equity							
Payables to credit institutions and central banks	60,370	63,306	58,492	57,732	72,378	61,393	56,264
Deposits and other payables	60,478	61,918	68,694	65,405	59,356	63,407	65,183
Issued bonds	24,423	22,565	23,849	26,689	26,188	26,754	27,362
Other non-derivative financial liabilities at fair value	33,451	40,857	33,108	29,248	37,466	43,258	26,702
Remaining payables	37,913	33,268	29,894	30,216	38,103	41,987	48,910
Total payables	216,635	221,914	214,037	209,290	233,491	236,799	224,421
Provisions	240	236	247	247	313	275	317
Subordinated debt	100	250	250	250	250	250	250
Equity	13,255	14,500	14,337	14,347	14,352	14,701	14,344
Total liabilities and equity	230,497	236,900	228,871	224,134	248,406	252,025	239,322
OFF-BALANCE SHEET ITEMS							
Contingent liabilities	13,801	12,028	12,306	11,620	10,709	10,706	10,084
Other commitments	5,472	6,536	6,734	6,906	6,655	6,990	8,591
FINANCIAL RATIOS							
Total capital ratio, %	14.7	16.0	16.1	16.8	21.0	21.9	20.6
Tier 1 capital ratio, %	14.3	15.6	15.7	16.4	21.0	21.9	20.6
Return on equity before tax (pa), %	(12.3)	2.7	0.0	0.0	(13.5)	13.2	2.8
Return on equity after tax (pa), %	(9.3)	2.2	(0.3)	(0.1)	(9.6)	9.8	2.1

Notes

DKK million

	Q3/2014	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
34. NYKREDIT BANK GROUP – SEVEN QUARTERS (continued)							
Summary core earnings and investment portfolio income							
Core income from business operations	822	885	780	809	750	901	801
Value adjustment of derivatives	(1,558)	(205)	(230)	(205)	(620)	36	14
Core income from securities	7	7	7	7	8	8	10
Total core income	(729)	687	557	611	138	945	825
Operating costs and depreciation of equipment	494	530	527	543	511	523	496
Provisions for costs relating to reorganisation				50			
Profit from investments in associates and group enterprises	0	0	0	0	48	30	0
Core earnings before impairment losses	(1,223)	157	30	18	(325)	452	329
Impairment losses on loans and advances	80	(1)	40	20	163	(51)	217
Core earnings after impairment losses	(1,303)	158	(10)	(2)	(488)	503	112
Investment portfolio income	12	37	9	2	(4)	(25)	(13)
Profit (loss) before tax	(1,291)	195	(1)	0	(492)	478	99
Tax	(313)	33	9	5	(143)	121	25
Profit (loss) for the period	(978)	162	(10)	(5)	(349)	357	74
Profit (loss) before tax, year-to-date	(1,097)	194	(1)	85	85	577	99

Notes

DKK million

	Q1-Q3/ 2014	FY 2013	Q1-Q3/ 2013	Q1-Q3/ 2012	Q1-Q3/ 2011	Q1-Q3/ 2010
35. NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS						
SUMMARY INCOME STATEMENT AND COMPREHENSIVE INCOME						
Net interest and fee income	2,590	3,265	2,411	2,154	2,449	2,713
Value adjustments	(2,041)	(815)	(568)	(34)	(184)	403
Other operating income	23	29	23	24	22	27
Staff and administrative expenses	1,490	1,992	1,470	1,363	1,290	1,385
Other operating expenses, depreciation and amortisation	60	131	60	29	111	387
Impairment losses on loans, advances and receivables	119	349	329	415	138	1,053
Profit from investments in associates and group enterprises	-	78	78	0	-	-
Profit (loss) before tax	(1,097)	85	85	337	748	318
Tax	(271)	8	3	82	191	108
Profit (loss) for the period	(826)	77	82	255	557	210
Comprehensive income						
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(826)	77	82	255	557	210
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balances and receivables from central banks and credit institutions	22,292	23,173	21,471	33,000	21,471	26,635
Loans, advances and other receivables at fair value	40,137	56,814	50,149	34,470	14,398	13,958
Loans, advances and other receivables at amortised cost	48,301	47,024	49,196	54,094	55,782	59,942
Bonds at fair value and equities	78,616	64,219	86,243	77,702	68,655	70,133
Remaining assets	41,151	32,904	41,347	56,593	42,439	48,867
Total assets	230,497	224,134	248,406	255,859	202,745	219,535
Liabilities and equity						
Payables to credit institutions and central banks	60,370	57,732	72,378	65,018	45,633	49,851
Deposits and other payables	60,478	65,405	59,356	53,684	53,659	54,745
Issued bonds at amortised cost	24,423	26,689	26,188	31,278	27,207	25,830
Other non-derivative financial liabilities at fair value	33,451	29,248	37,466	33,112	18,590	26,891
Remaining payables	37,913	30,216	38,103	57,850	42,419	46,693
Total payables	216,635	209,290	233,491	240,942	187,508	204,010
Provisions	240	247	313	210	261	1,055
Subordinated debt	100	250	250	250	650	886
Equity	13,522	14,347	14,352	14,457	14,326	13,584
Total liabilities and equity	230,497	224,134	248,406	255,859	202,745	219,535
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	13,801	11,620	10,709	11,552	10,555	16,436
Other commitments	5,472	6,906	6,655	7,740	7,050	7,349

Notes

DKK million

	Q1-Q3/ 2014	FY 2013	Q1-Q3/ 2013	Q1-Q3/ 2012	Q1-Q3/ 2011	Q1-Q3/ 2010
35. NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS (continued)						
FINANCIAL RATIOS						
Total capital ratio, %	14.7	16.8	21.9	19.8	18.5	12.7
Tier 1 capital ratio, %	14.3	16.4	21.9	19.8	17.9	12.0
Return on equity before tax, %	(7.9)	0.6	4.0	2.1	3.2	1.3
Return on equity after tax, %	(5.9)	0.5	3.0	1.6	2.4	0.8
Income:cost ratio	0.34	1.03	1.49	1.26	1.40	1.08
Interest rate exposure, %	(0.1)	0.6	1.0	0.6	1.38	0.8
Foreign exchange position, %	2.1	2.7	1.0	2.3	0.5	2.6
Foreign exchange exposure, %	0.0	0.0	0.0	0.0	0.2	0.0
Loans and advances:deposits	1.5	1.6	1.6	1.6	1.5	1.4
Loans and advances:equity	6.5	7.2	6.7	6.1	5.2	6.0
Growth in loans and advances excl repos for the period, %	2.7	(5.6)	1.2	(1.0)	(2.6)	0.7
Excess coverage:statutory liquidity requirements, %	238.0	275.5	201.6	152.9	198.7	265.8
Total large exposures, %	45.5	0.0	12.5	0.0	10.8	33.0
Impairment losses for the period, %	0.1	0.3	0.1	0.2	0.2	0.7
Average number of staff, full-time equivalents	829	859	858	850	801	923
Return on capital employed, %	0.0	0.0	0.0	0.0	0.0	0.0

Financial ratios, definitions

Total capital ratio, %	Own funds divided by the total risk exposure amount
Tier 1 capital ratio, %	Tier 1 capital divided by the total risk exposure amount
Core Tier 1 capital ratio, %	Calculated as the financial ratio "Tier 1 capital ratio, %", but less Additional Tier 1 capital
Return on equity before tax, %	Profit (loss) before tax as a percentage of average equity
Return on equity after tax, %	Profit (loss) after tax as a percentage of average equity
Income:cost ratio	Income incl profit (loss) from associates and group enterprises divided by costs excl tax
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 period) Loans and advances include loans and advances at fair value and loans and advances at amortised cost
Growth in loans and advances excl repos for the period, %	Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year divided by loans and advances at the end of the year/period) Loans and advances include loans and advances at amortised cost
Growth in loans and advances incl repos for the period, %	Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year divided by loans and advances at the end of the year/period) Loans and advances include loans and advances at fair value and loans and advances at amortised cost
Excess coverage:statutory liquidity requirements, %	Excess coverage relative to the 10% requirement of s 152 of the Danish Financial Business Act. (Available excess liquidity relative to 10% of reduced payables) (Reduced payables: Balance sheet total plus guarantees less equity less subordinated debt)
Total large exposures, %	Total large exposures divided by adjusted own funds
Impairment losses for the year/period, %	Impairment losses for the year/period divided by loans and advances + guarantees + impairment provisions
Return on capital employed, %	Profit (loss) for the period divided by total assets

The financial ratios, excl the total capital ratio and the Tier 1 capital ratio (cf note 2 of the Interim Report), have been calculated in accordance with the Danish FSA's guidelines for reporting purposes. The financial ratios "Core Tier 1 capital ratio" and "Growth in loans and advances incl repos for the period" are, however, not included in the guidelines.

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