

Annual Report 2015



REALKREDIT
Danmark

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Annual Report 2015 is a translation of the original report in the Danish language (Årsrapport 2015). In case of discrepancies, the Danish version prevails.

5-year financial highlights – Realkredit Danmark Group

NET PROFIT FOR THE YEAR

(DKK millions)	2015	2014	2013	2012	2011
Administration margin	5,770	5,704	5,491	4,724	3,564
Net interest income	196	62	-24	235	660
Net fee income	-509	-524	-540	-469	-488
Income from investment portfolios	662	645	750	862	650
Other income	192	129	123	111	105
Total income	6,311	6,016	5,800	5,463	4,491
Expenses	787	815	852	870	934
Profit before loan impairment charges	5,524	5,201	4,948	4,593	3,557
Loan impairment charges	432	1,171	1,471	1,319	1,057
Profit before tax	5,092	4,030	3,477	3,274	2,500
Tax	1,202	974	865	820	626
Net profit for the year	3,890	3,056	2,612	2,454	1,874

BALANCE SHEET (AT 31 DECEMBER)

(DKK millions)	2015	2014	2013	2012	2011
Due from credit institutions etc.	28,696	25,882	51,004	18,727	32,556
Mortgage loans	744,383	744,502	730,901	735,494	723,754
Bonds and shares	59,827	59,817	61,156	35,966	17,300
Other assets	3,668	4,354	5,073	3,940	2,950
Total assets	836,574	834,555	848,134	794,127	776,560
Due to credit institutions etc.	16,611	10,018	32,501	10,079	20,668
Issued mortgage bonds	745,223	739,358	725,159	701,373	695,080
Issued senior debt	17,721	27,415	32,089	21,687	-
Other liabilities	8,273	9,893	11,501	14,636	14,010
Subordinated debt	-	-	-	-	2,045
Shareholders' equity	48,746	47,871	46,884	46,352	44,757
Total liabilities and equity	836,574	834,555	848,134	794,127	776,560

RATIOS AND KEY FIGURES

Net profit for the year as % of avg. shareholders' equity	8.1	6.5	5.6	5.4	4.3
Cost/income ratio (%)	12.5	13.5	14.7	15.9	20.8
Total capital ratio (%)	38.8	34.5	34.0	34.3	35.8
Tier 1 capital ratio (%)	38.3	34.0	33.5	33.7	35.4
Full-time-equivalent staff, end of year	239	237	249	250	303

Financial review

Overview

- In 2015, the Realkredit Danmark Group recorded a net profit of DKK 3,890 million. The improvement of DKK 834 million, or 27%, relative to 2014, is satisfactory. The positive profit performance was driven especially by lower impairments and income from strong remortgaging activity in the first half of 2015. This income was lower in the second half of the year when remortgaging activity declined noticeably.
- Impairments fell to DKK 432 million from DKK 1,171 million in 2014.
- In 2015, customers showed particularly strong interest in Realkredit Danmark's fixed-rate products and mortgage loans with principal repayments. Disbursements of fixed-rate loans amounted to DKK 97 billion in 2015, corresponding to 63% of disbursed loans.
- In aggregate, Realkredit Danmark customers who have remortgaged fixed-rate loans and refinanced FlexLån® loans in 2015 will save more than DKK 1.6 billion annually in interest expenses. In 2015, Realkredit Danmark disbursed loans with a negative interest rate to 758 customers.
- The proportion of customers with 1-year FlexLån® loans fell from 13% at 31 December 2014 to 9% at the end of 2015, with the fall being driven especially by remortgaging in connection with refinancing in the first quarter. The proportion of interest-only loans fell 2 percentage points to 38% at the end of 2015.
- In 2015, more than 5,000 customers reduced their administration margin on remortgaging their FlexLån® loans to a fixed-rate loan, and about 6,000 customers with interest-only loans reduced their administration margin as a result of rising property prices.
- Realkredit Danmark expects the profit for 2016 to be at the same level as in 2015.

The year 2015

In 2015, Realkredit Danmark continued to improve its financial performance, remaining one of the strongest financial brands in Denmark.

The year was characterised by very strong remortgaging activity in the first half, which saw strong demand for 30-year fixed-rate loans with coupons of 2% and 2.5%. Combined with strong interest in fixed-rate loans, Realkredit Danmark's product price differentiation contributed to a sharp decline in the portfolio of 1- and 2-year FlexLån® loans in 2015 as well. This helped Realkredit Danmark mitigate the refinancing risk.

Realkredit Danmark's portfolio of interest-only loans also declined in the course of 2015, as several customers started to make principal repayments on their loans.

Realkredit Danmark complies with all the threshold values set out in the supervisory diamond announced by the Danish FSA in the fourth quarter of 2014. In order to continue to comply with the threshold value for loans with short-term funding, Realkredit Danmark continues its efforts to reduce the volume of loans with refinancing.

In the first quarter of 2015, Fitch Ratings conducted its annual review of Realkredit Danmark's loan portfolio. As a result of the review, Fitch lowered its overcollateralisation requirement for both of Realkredit Danmark's SDRO capital centres, and this allowed Realkredit Danmark to reduce the

volume of issued senior debt by DKK 10 billion over the course of the year.

Realkredit Danmark is working alongside society in general to ensure that financing continues to be available for homes in the more sparsely populated areas of Denmark. Realkredit Danmark still offers mortgage loans for homes in these areas to customers with sustainable personal finances and stable-value properties.

Results

In 2015, the Realkredit Danmark Group recorded a net profit of DKK 3,890 million, against DKK 3,056 million the year before. Net profit was 27% higher than in 2014 and in line with expectations.

The profit improvement was driven especially by lower impairments and income from strong remortgaging activity in the first half of 2015.

The administration margin rose DKK 66 million, driven by a larger nominal loan portfolio.

Net interest income rose DKK 134 million, driven especially by lower senior debt expenses and the strong remortgaging activity.

Income from the investment portfolio rose to DKK 662 million from DKK 645 million in 2014 and also benefited from the high remortgaging activity in the form of trading margins

on loan disbursements. Income also benefited from income from the refinancing of Cibor6® loans in the second quarter of the year.

Total income rose 5% relative to 2014.

At DKK 787 million, expenses were 3% lower than in 2014. Expenses rose DKK 28 million because of payments to the Resolution Fund that was established in connection with the implementation of the EU Bank Recovery and Resolution Directive. The expenses for the new fund were more than offset by a decline in expenses for IT development and lower other operating expenses.

Impairments amounted to DKK 432 million, against DKK 1,171 million in 2014. Total impairments declined as a result of a general improvement of macroeconomic conditions in Denmark. Furthermore, impairments in 2014 were affected by provisions in connection with clarified requirements from the Danish FSA concerning impairment of loans to customers whose repayment ability is based on the cash flow from the mortgaged asset.

Total impairments equalled 0.06% of total mortgage lending, against 0.16% at the end of 2014. Of total impairments, 64% related to personal customer loans, while 36% related to business loans.

The delinquency rate fell marginally from the level at end-2014.

The tax charge totalled DKK 1,202 million. The effective tax rate was 23.6%.

Balance sheet

Gross lending amounted to DKK 155 billion, against DKK 121 billion in 2014. Mortgage lending at fair value amounted to DKK 744 billion, and was thus at the same level as at end-2014. The nominal outstanding bond debt rose DKK 14 billion to DKK 739 billion at the end of 2015.

The loan-to-value (LTV) ratio stood at 65% at the end of 2015, which was 6 percentage points lower than at the end of 2014. The decline was attributable to rising property prices and a decrease in market value adjustments of mortgage loans.

In 2015, Realkredit Danmark had 78 foreclosures and sold 90 properties. In 2014, there were 108 foreclosures, and 160 properties were sold. The number of foreclosures at the end of the year was 58, against 70 at end-2014. The value of

the foreclosures was DKK 76 million at 31 December 2015, against DKK 106 million at end-2014.

Issued mortgage bonds rose DKK 6 billion to DKK 745 billion. The nominal value of issued mortgage bonds rose DKK 20 billion to DKK 736 billion. The amounts are exclusive of holdings of own mortgage bonds.

Realkredit Danmark is subject to the specific principle of balance and therefore has very limited exposure to market risks. At the end of 2015, Realkredit Danmark's interest rate risk and exchange rate risk amounted to DKK 1,088 million and DKK 1 million, respectively.

Capital and solvency

At the end of 2015, shareholders' equity stood at DKK 48.7 billion, against DKK 47.9 billion at the end of 2014. The increase in equity equalled the profit for the year less dividends paid for 2014 of DKK 3.0 billion. The Board is recommending that dividends of DKK 3.5 billion be paid for 2015. Realkredit Danmark's total capital amounted to DKK 45.8 billion, and the total capital ratio calculated in accordance with the Capital Requirements Regulation and Directive (CRR/CRD IV) was 38.8%. At 31 December 2014, the corresponding figures were DKK 45.5 billion and 34.5%, respectively.

Realkredit Danmark uses the internal ratings-based (IRB) approach to calculate the risk exposure amount for credit risks. The total risk exposure amount (REA) was DKK 118.1 billion at 31 December 2015, against DKK 131.9 billion at the end of 2014.

The decrease in REA was due primarily to a fall in the positive market value adjustment of loans and an increase in the value of collateral because of rising property prices.

Calculated on the basis of the transitional rules of the CRR/CRD IV, the capital need for 2015 must, as a minimum, amount to 80% of the requirement calculated under the previous rules, corresponding to DKK 26.2 billion and 22.2% of REA. Realkredit Danmark has total capital of DKK 45.8 billion, and thus a capital buffer of DKK 19.6 billion.

Under Danish law, Realkredit Danmark must publish its total capital and solvency need on a quarterly basis. The rd.dk site provides further information.

Fourth quarter 2015

Realkredit Danmark recorded a pre-tax profit of DKK 1,405 million in the fourth quarter of 2015, against DKK 998 million in the third quarter. The higher pre-tax profit was attributable primarily to income from refinancing in the fourth quarter

and lower impairments. Detracting from performance were value adjustments of senior debt in connection with loan prepayments in the fourth quarter.

Outlook for 2016

Realkredit Danmark expects that subdued growth and low interest rates will continue to characterise the Danish economy in 2016. Low interest rates will support the positive trend in house prices and lead to increasing activity in the housing market.

Realkredit Danmark expects income to be at the same level as in 2015 as income will be supported by moderate growth in the loan portfolio, while a decline in income from remortgaging activity will have downward effect.

Through a persistent focus on cost control in 2016, Realkredit Danmark aims to curb its expenses, but the full-year effect of payments to the Resolution Fund, which was set up in the second half of 2015, will lead to an overall increase in expenses.

Loan impairment charges are expected to be at the same level as in 2015.

Overall, Realkredit Danmark therefore expects the profit for 2016 to be at the same level as in 2015.

Property market

Economic recovery 2015

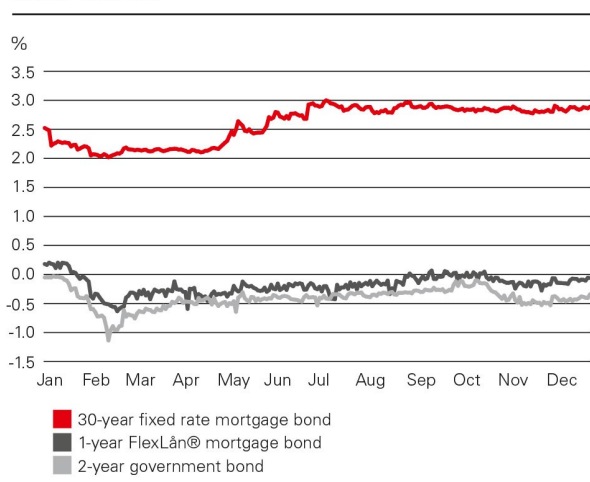
The economic recovery in Denmark gathered momentum in 2015 relative to 2014, and employment levels rose for the second year running. The recovery slowed down in the second half of 2015, however, because of factors such as the economic slowdown in China and signs of weakness in other growth economies affected by falling commodity prices. These factors contributed to slowing down economic activity – directly via the effect on export-oriented sectors but also via greater uncertainty about the strength of the recovery. Overall, the outlook for a continuation of the moderate, but fragile, upswing remained intact at the end of 2015.

Strong improvement in the housing market in 2015

Strong demand for Danish kroner in early 2015 resulted in negative interest rates on FlexLån® loans and the launch of fixed-rate 30-year loans with coupons of 1.5% and 2%. Combined with a buoyant labour market and strong consumer confidence, this helped trigger a major increase in housing market activity in the first half of the year. This in turn led to major price increases in the housing market, and the vast majority of Denmark's municipalities experienced an increase in house prices.

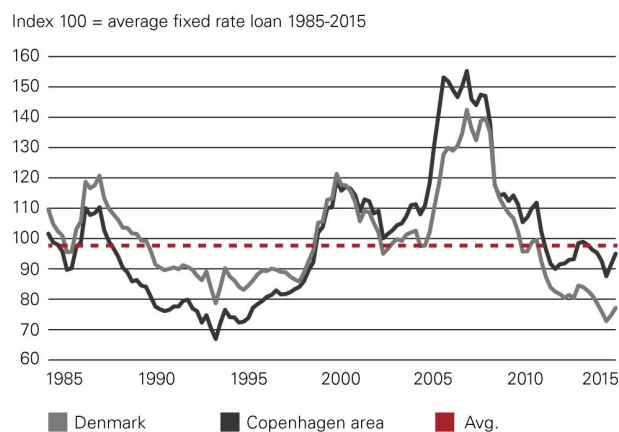
Activity in the housing market slowed down in the second half of the year, however, leading to more subdued price increases. A key explanation of this tendency was the surprise interest rate increases in May and June, when the benchmark coupon on 30-year fixed-rate loans rose from 2% to 3% and 3.5% during a short period of time. Coupons have since fallen again, and towards the end of 2015, 2.5% and 3% loans once again prevailed.

Interest rates 2015



The year 2015 was characterised by the debate on the risk of a price bubble, especially for owner-occupied flats in Copenhagen. This debate subsided as price increases slowed down over the course of the summer, and there were months of stable to slightly falling prices. Furthermore, new accepted practice rules were introduced on 1 November. The new rules generally entail that home owners must provide a minimum down payment of 5%. Other things being equal, this will reduce the possibilities of speculating in the housing market. It should be noted, however, that especially in Denmark's most expensive areas, the housing market is vulnerable to rising interest rates in the future.

Housing burden - cost of owning a house compared to available income



The market for co-operative housing also improved in 2015. Although distressed co-operating housing societies sometimes get extensive media coverage, the vast majority of the co-operative housing market appears to be robust, and the associations generally have a relatively low level of indebtedness. The Copenhagen area, which accounts for the bulk of the co-operative housing market, saw particularly strong demand for co-operative housing.

The number of foreclosures was reasonably stable in 2015 relative to the number in 2014 and is now at an average level in a historical context.

Investor interest in the commercial market still strong

Combined with low interest rates, the positive economic trends attracted more investors to the commercial property market. Investment in real property offering prospects of more stable long-term returns than conventional asset classes has therefore characterised demand for large portfolios of office and retail property and residential rental property. Parts of the commercial property market are also expected to be vulnerable to future interest rate increases.

Professional investors, including a growing number of foreign investors, primarily focused on Copenhagen in 2015, preferring prime-location property. Other investors also looked for property in the other major cities in Denmark, whereas demand for property in the small and medium-sized towns is more regionally based with more subdued price developments and greater price variations.

Lending

An unusual year of negative mortgage rates

As a result of the European Central Bank's (ECB) extensive bond buying programme and the Swiss National Bank's decision to stop defending the Swiss franc against an appreciation against the euro, the Danish krone faced a massive appreciation pressure at the beginning of the year. This led to a surge in foreign currency reserves when the Danish central bank sold Danish kroner and implemented a number of independent rate cuts. The CD rate was lowered to -0.75%, and this level was maintained throughout 2015.

The developments described above directly affected mortgage rates, which reached new all-time lows. Notably, borrowers at some point paid negative interest rates on their FlexLån® loans. When interest rates were at their lowest, 1-year and 3-year FlexLån® loans carried negative interest rates, while the rate on 5-year FlexLån® loans dropped to close to zero. Throughout the period of negative interest rates on FlexLån® loans, Realkredit Danmark issued loan offers and disbursed loans. During this period, Realkredit Danmark disbursed 758 FlexLån® loans with negative interest rates to home owners and businesses. At the last refinancing auction of the year in November, the interest rate on 1-year FlexLån® loans, including the trading margin, was 0.24% at 1 January. Net of the trading margin, however, the actual interest rate payable by investors remained negative.

The negative interest rates were not fully reflected in Realkredit Danmark's floating-rate bond loans such as FlexKort® and RD Cibor6® loans. In our existing bond and loan terms and conditions, a floor has been defined for the nominal rate of interest that prevents the interest rate from falling below zero. Going forward, however, Realkredit Danmark will be able to change these terms and conditions. Handling negative coupon rates is undoubtedly an unusual situation for investors. If floating-rate bonds without an interest rate floor become the market standard for investors, Realkredit Danmark will adapt to market conditions and issue bonds without a rate floor. This wait-and-see approach helps ensure the best possible terms and conditions for borrowers.

Total lending

As a result of movements in interest rates, a major remortgaging wave continued into 2015 following a relatively large volume of remortgaging towards the end of 2014. Overall, Realkredit Danmark experienced the largest remortgaging wave and the highest level of lending activity for ten years in

2015. Remortgaging activity reached DKK 86 billion in 2015, against DKK 66 billion in 2014.

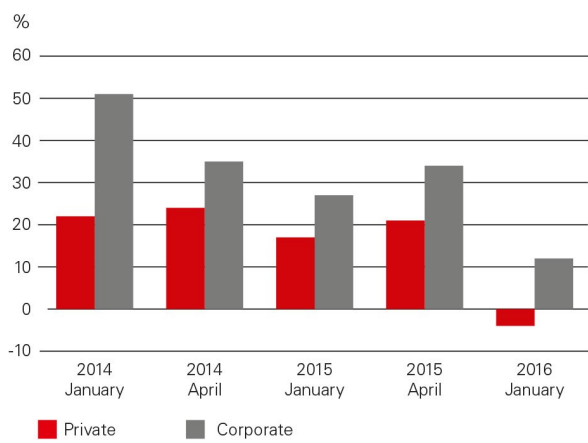
Net new lending rose to DKK 30 billion from DKK 23 billion in 2014, reflecting the rise in lending activity in both the personal customer market and the business market.

In addition, in connection with the refinancing of FlexLån® loans at 1 April 2015, 26% of Realkredit Danmark's customers took the opportunity to secure a low and fixed interest rate for a longer period. The volume of 1-year FlexLån® loans was reduced by a net DKK 5.7 billion in favour of FlexLån® loans with longer refinancing intervals.

In connection with the refinancing of FlexLån® loans at 1 January 2016, personal customers have not to the same extent as previously switched away from 1-year FlexLån® loans. This was the first time in many years that a higher number of personal customers switched to rather than away from 1-year FlexLån® loans. About 40% of the customers with 3-year FlexLån® loans who opted to switch to 1-year FlexLån® loans were customers who had used nine years of their interest-only period and who needed to shorten their mortgage profile to 1-year FlexLån® loans in order to utilise their last interest-only year.

Finally, the housing market improvement has made more home owners consider selling their home, and it may be an advantage to switch into 1-year FlexLån® loans in connection with the sale of a home.

Net share of volume of loans shifting away from 1 year FlexLån® loans in connection with the auctions for the refinancing of FlexLån® loans

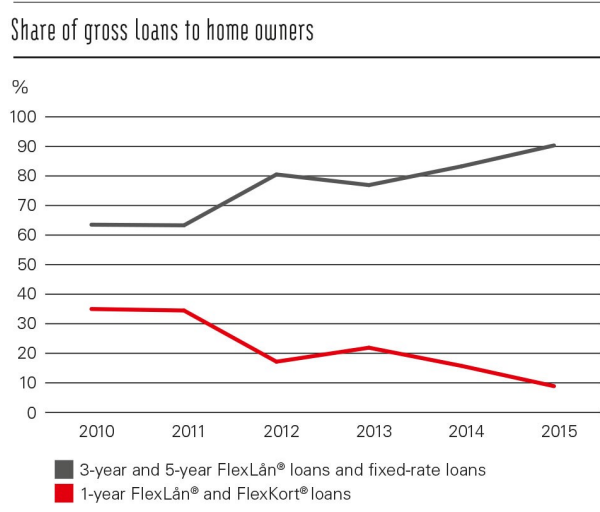


Business customers, however, continued to switch away from 1-year FlexLån® loans with a net 12% opting for longer-term loans.

Personal customer market

Fixed-rate loans continued to attract interest in 2015. Of all new loans, 69% were fixed-rate, and customers opting for these loans preferred a 2% coupon. However, because of interest rate movements in 2015, the timing of borrowers' decision to remortgage or have new loans disbursed had an impact on the fixed-rate bond chosen.

Floating-rate loans amounted to 31% of total gross lending in 2015, corresponding to DKK 29 billion. Floating-rate loans now account for 65% of the total personal customer loan portfolio. Customers continued to opt for FlexLån® loans with longer refinancing intervals, and FlexLån® loans with 3-5-year refinancing intervals thus accounted for 22% of total gross lending. 1-year and 2-year FlexLån® loans and FlexKort® loans represented 8% of gross lending. Overall, the tendency of home owners to opt for longer refinancing intervals continued, making them more robust to future interest rate increases.



Business market

Loans for the business market rose 3% to DKK 315 billion, corresponding to 43% of Realkredit Danmark's total loan portfolio.

The tendency of customers to opt for loans with lower interest rate sensitivity continued in 2015. New fixed-rate loans and long-term floating-rate loans with refinancing intervals of three years or more now account for 79% of gross lending to business customers, while 1-year and 2-year FlexLån® loans account for 1% of gross lending.

Remortgaging activity was also quite strong in the business market. Remortgaging naturally occurred in fixed-rate loans, but customers with floating-rate loans also opted to remortgage to fixed-rate loans or loans with longer refinancing intervals.

Distribution channels

Realkredit Danmark consistently seeks to make it easier for its customers to access and obtain an overview of information about their mortgage loans to ensure that the loans match their situation and that Realkredit Danmark is accessible when the customers need it. To that end, Realkredit Danmark is working to digitalise some of its interaction with customers while also providing services and advice through physical channels. For example, in 2015, it became possible for business customers and even more personal customers to gather a number of documents digitally stored in eBooks. In 2016, an increasing number of documents will be sent digitally, and more customers, including business customers, will be able to sign loan agreements digitally.

Realkredit Danmark's personal customers are served at Danske Bank primarily by home advisers. Home Direct serves customers over the telephone during extended opening hours, including Monday through Thursday in the evening and during the weekend. Customers preferring personal contact are served at Danske Bank branches or at Realkredit Danmark's Personal Centres.

Large Real Estate, a nationwide unit, serves the largest property customers in Denmark, the largest administrators of cooperative housing and owner associations and all customers within Subsidised Housing. In addition, the unit is in charge of providing expert mortgage advice to large non-property customers and to customers in Norway and Sweden who have a mortgage loan with Realkredit Danmark. Small and medium-sized customers are offered a range of access points. Customers can choose which of Danske Bank's business units, including finance and agricultural centres, they wish to use. In the spring of 2015, more customers were offered the option of receiving advice over the telephone and other services through Realkredit Business Direct.

Real-estate business

"home", the real-estate agency chain of the Group, is wholly-owned by Realkredit Danmark. The selling of owner-occupied dwellings is the main business area of "home", and loans distributed via "home" are most often used for a change of ownership. Furthermore, "home" also operates a business estate-agency chain called "home Business".

Activities and portfolio (DKK millions)	Gross lending		Net new lending		Loan portfolio			
	2015	2014	2015	2014	31 Dec. 2015	%	31 Dec. 2014	%
Personal customer market	91,915	73,659	14,255	11,164	423,845	57	418,542	58
Business market	63,021	46,906	15,719	11,919	315,344	43	306,969	42
Total (nominal value)	154,936	120,565	29,974	23,083	739,189	100	725,511	100

Lending broken down by loan type (%)	Share of gross lending		Share of loan portfolio	
	2015	2014	31 Dec. 2015	31 Dec. 2014
FlexLån®	25	32	50	53
FlexKort®	4	11	4	3
Fixed-rate loans	63	44	31	29
FlexGaranti® etc.	-	-	3	3
RD Cibor6® etc.	8	13	12	12
Total	100	100	100	100

Funding

Bond issuance

Realkredit Danmark is subject to the specific principle of balance and funds its lending to borrowers by issuing mortgage-covered bonds, which are listed on NASDAQ Copenhagen.

Issued bonds are carried in the financial statements at their fair value after deduction of own holdings. The following text and charts are based on nominal values before deduction of own holdings, as these reflect the volume of bonds issued and listed on NASDAQ Copenhagen.

Bonds issued in 2015

Realkredit Danmark issued bonds for a total of DKK 154 billion exclusive of bonds issued for the refinancing auctions. This represents an increase of 27% relative to 2014. Of bonds issued in 2015, 37% were non-callable bonds and 63% were callable bonds – unlike in 2014 when there was a small overweight of non-callable bonds.

Annual refinancing of FlexLån® and RD Cibor3®

In order to continue to spread the risk of refinancing FlexLån® loans, Realkredit Danmark held two refinancing auctions, in February and November 2015. Since March 2010, all new FlexLån® loans have been issued with 1 April as the payment date. The volume of bonds issued in connection with the refinancing of FlexLån® loans at 1 April 2015 amounted to DKK 54 billion, against DKK 55 billion in 2014.

The portion of FlexLån® loans refinanced at 1 January is still larger than the portion refinanced at 1 April, although the gap is narrowing. Issued bonds amounted to DKK 67 billion in connection with the refinancing of FlexLån® loans at 1 January 2016, against DKK 71 billion at 1 January 2015.

In May, Realkredit Danmark also held an auction amounting to DKK 42.4 billion for the funding of RD Cibor6®. The auctions were held over the course of four days, and investors were invited to make bids for the price based on a premium to Cibor 6M of 0.20% p.a. defined by Realkredit Danmark. The bonds were issued with an interest rate floor of 0.00% but with a shorter maturity than usual, which gives Realkredit Danmark an opportunity, during the intermediate period, to assess whether bonds without a rate floor will become the market standard for both issuers and investors. If that is the case, Realkredit Danmark will quickly be able to offer its customers this type of financing.

At end-2015, Realkredit Danmark had issued mortgage bonds for a total amount of DKK 774 billion, of which mortgage-covered bonds accounted for DKK 705 billion.

Act on refinancing

On 1 January 2015, the Danish Act on Refinancing entered into force for all loans that must be refinanced during their term. This means that all FlexLån® loans and floating-rate loans will have an attached refinancing trigger. 1- and 2-year FlexLån® loans will also have interest rate triggers.

The act applies to all new issuance after the effective date of the act and will therefore take full effect only when the underlying loans are refinanced. At the end of 2015, 46.5% of all bonds used for funding loans to be refinanced were funded using bonds issued on the basis of the new act.

Senior debt issuance

Realkredit Danmark has senior debt pursuant to section 15 of the Mortgage Credit Loans and Mortgage Credit Bonds Act for a nominal amount of DKK 17.6 billion.

The overcollateralisation requirement from Fitch Ratings was lowered in 2015, and Realkredit Danmark therefore has a large buffer relative to the requirement. As a result, Realkredit Danmark bought back senior debt for DKK 4.5 billion, and as senior debt of DKK 5.2 billion expired in 2015, the volume of issued senior debt fell from DKK 27.3 billion at the end of 2014 to DKK 17.6 billion. Realkredit Danmark has a buffer of DKK 6 billion relative to the overcollateralisation requirement.

The senior debt has a term to maturity of up to about four years and has been upgraded to an AA- rating from Standard & Poor's. In addition to ensuring that Realkredit Danmark meets rating agency overcollateralisation requirements, the proceeds from senior debt issues are used to cover the need for supplementary collateral.

Investor distribution

Foreign investors continued to show strong interest in Danish mortgage bonds in 2015 because these bonds were considered to offer better security than similar European securities. In particular, non-callable bonds with a term to maturity of up to one year attracted considerable interest. At 31 December 2015, foreign investors thus held about 21% of all bonds, against some 18% at end-2014.

Realkredit Danmark has so far issued all EUR-denominated mortgage-covered bonds via VP Lux for these bonds to be eligible for use as collateral to the ECB. During 2015, it also became possible to issue EUR-denominated bonds in Denmark which are approved by the ECB as eligible for use as collateral. Accordingly, Realkredit Danmark started to issue EUR bonds via VP Securities in Denmark in 2015. Bonds approved by the ECB as eligible for use as collateral are attractive to foreign investors, and this gives Realkredit Danmark a larger investor base and sales channel and thus ensures a better pricing of these mortgage-covered bonds.

Rating

Realkredit Danmark is one of only two mortgage credit institutions in Denmark whose bonds are rated by two rating agencies.

98% of all bonds issued by Realkredit Danmark are rated by Standard & Poor's and hold the top rating of AAA.

Bonds issued from Realkredit Danmark's capital centres S and T are also rated by Fitch Ratings. In capital centre S, the bonds hold a AAA rating. Bonds issued from capital centre T are used for the refinancing of FlexLån® and other loans with a refinancing element. These bonds hold a rating of AA+ because of Fitch Ratings' assessment of the refinancing risk.

This risk is reduced on an ongoing basis because of the decrease in the volume of loans with a refinancing element, less frequent refinancing and the fact that more bonds are covered by the Act on Refinancing.

The overcollateralisation requirements for the capital centres were lowered in 2015 and remained covered by funds from Realkredit Danmark's equity and issued senior debt.

Realkredit Danmark expects stable overcollateralisation requirements from the rating agencies in 2016, but if the requirements are tightened, Realkredit Danmark plans to issue senior debt in order to comply with the stricter requirements.

Debt buffer

In 2016, the debt buffer requirement will be phased in, which means that Danish mortgage credit institutions must have a debt buffer equal to 2% of their lending by 2020. For Realkredit Danmark, this equals DKK 15 billion calculated on the basis of the current lending volume. Realkredit Danmark is already able to meet the requirement through excess shareholders' equity and therefore does not require additional funding.

Bonds issued at 31 December (nominal value)

Bond type (DKK billions)	Currency	Mortgage-covered bonds		Mortgage bonds	
		2015	2014	2015	2014
Fixed-rate	DKK	200	177	16	36
FlexLån®	DKK	372	379	6	7
FlexLån®	EUR	18	22	-	-
FlexKort®	DKK	29	25	-	-
Index-linked loans	DKK	-	-	22	24
FlexGaranti®	DKK	5	5	17	21
RenteDyk™	DKK	1	1	-	-
RD Cibor6®	DKK	57	56	8	8
RD Nibor3®	NOK	2	2	-	-
RD Stibor3®	SEK	13	11	-	-
RD Euribor3®	EUR	8	8	-	-
Total DKK		705	686	69	96

In 2015, the calculation was adjusted to reflect double-funding of DKK 67 billion because of the refinancing of FlexLån® loans.

Capital and risk management

Capital management

The purpose of capital management is to ensure that the Realkredit Danmark Group has adequate capital to cover the risks associated with its operations. Moreover, the Group aims to retain the current AAA ratings from Standard & Poor's and AAA/AA+ ratings from Fitch Ratings, which are in line with those assigned to comparable issuers.

At 31 December 2015, the total capital of DKK 45.8 billion consisted primarily of conventional equity after statutory deductions.

The regulatory framework for the Group's capital management is rooted in the Capital Requirements Regulation and Directive (CRR/CRD IV), which consists of three pillars:

- Pillar I contains a set of rules for calculating the capital requirement (8 per cent of the risk exposure amount for credit risk, market risk and operational risk).
- Pillar II describes the ICAAP (Internal Capital Adequacy Assessment Process) framework and the supervisory review. The ICAAP determines the solvency need (see below).
- Pillar III deals with market discipline and sets forth disclosure requirements for risk and capital management and the solvency need. The Realkredit Danmark Group is included in the Danske Bank Group's Risk Management 2015 Report, to which reference is made. The report is available at danskebank.com/IR.

ICAAP

Since 1 January 2008, the Group has applied the advanced internal ratings-based (IRB) approach to calculate the risk exposure amount for credit risk.

With respect to credit risk, the capital requirement is calculated on the basis of parameters from Realkredit Danmark's internal risk models. The calculation is based on the probability of customers defaulting on their payment obligations, expected losses in case of default, the size of the loan at default and other factors.

Pillar II takes into consideration the institution's individual characteristics, and all relevant risk types are included, irrespective of whether they are included in Pillar I or not. In the ICAAP, management performs a number of assessments of the risk profile and calculates the solvency need. In addition, the ICAAP contains capital planning to ensure that the Group has sufficient capital to comply with the solvency requirement in a number of stress tests.

Solvency need

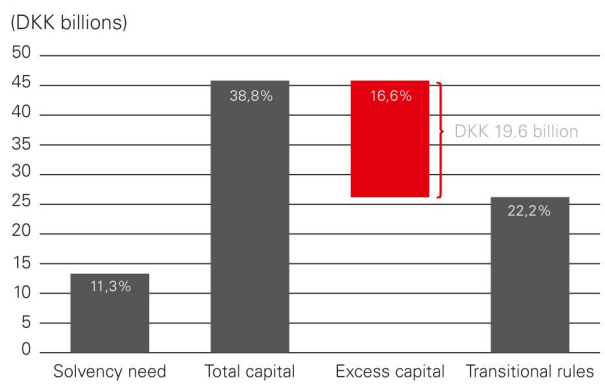
Like other Danish banks and mortgage credit institutions, the Group must comply with special requirements in Danish legislation to publish its solvency need each quarter.

The solvency need is the capital considered sufficient to cover the Group's risks. The calculation of the solvency need is an internal process in which management makes a number of assessments of the Group's overall risks.

The calculation is based on the capital requirement under Pillar I plus a Pillar II capital add-on. Pillar II reflects any uncertainty relating to the risk models, and the capital level is subject to ongoing qualitative adequacy assessments.

The capitalisation of Realkredit Danmark must also reflect the capital need under the Basel I transitional rules.

Solvency need ratio and total capital ratio, end 2015



At the end of 2015, Realkredit Danmark's solvency need was calculated at DKK 13.3 billion, corresponding to 11.3% of the total risk exposure amount (REA). Calculated on the basis of the transitional rules, the capital need was DKK 26.2 billion, corresponding to 22.2% of REA. With total capital of DKK 45.8 billion and a total capital ratio of 38.8%, Realkredit Danmark Group had DKK 19.6 billion in excess of the requirement according to the transitional rules.

Leverage ratio

CRR/CRD IV requires credit institutions to calculate, report on and monitor their leverage ratio, which is defined as tier 1 capital as a percentage of the total risk exposure amount (REA). Pursuant to this definition and the transitional rules, Realkredit Danmark's leverage ratio was 5.3% at 31 December 2015.

Large exposures

Large exposures are defined as exposures amounting to at least 10% of the capital base after deduction of particularly secure claims. At the end of 2015, Realkredit Danmark had three exposures that exceeded 10% of its capital base.

Supplementary collateral

As an institute issuing mortgage-covered bonds, Realkredit Danmark must provide supplementary collateral if the value of the properties on which the loans are secured is such that the LTV ratio rises above 80% for residential property and 60% for commercial property. In 2015, issuance of mortgage-covered bonds rose DKK 19 billion to DKK 705 billion. At the end of 2015, the need for supplementary collateral was DKK 33.9 billion, against DKK 41.1 billion at end-2014.

A large proportion of Realkredit Danmark's mortgage loans are covered by loss guarantees provided by Danske Bank. The loss guarantee covers the top 20 percentage points of the statutory loan limit at the time when the loan is raised. The loss guarantee covered DKK 58 billion of the loan portfolio at 31 December 2015. This amount includes DKK 8 billion in the form of supplementary collateral for mortgage-covered bonds.

Risk management

The Realkredit Danmark Group's principal risks are the credit risk on mortgage loans and the market risk on assets and liabilities.

The credit risk on mortgage loans comprises the risk that the borrower is unable to repay the loan and the expected loss if the borrower does not repay the loan.

Market risks comprise interest rate, equity market and exchange rate risks. Liquidity and operational risks are also monitored. However, the statutory principle of balance eliminates most of the interest rate, exchange rate and liquidity risks on the Group's assets and liabilities.

Risk management is described in the note on risk management.

Liquidity Coverage Ratio

After the Liquidity Coverage Ratio entered into force on 1 October 2015, the effective requirement for Realkredit Danmark's buffer of liquid assets has been 2.5% of its total mortgage lending. At the end of 2015, this corresponded to DKK 19 billion. With liquid assets of DKK 47 billion, Realkredit Danmark has a buffer of DKK 28 billion relative to the requirement.

Future rules

Realkredit Danmark monitors European and Danish implementation of future rules, including the Net Stable Funding Ratio (NSFR) and The Basel Committee's new standard method for credit risk, which is expected to become the predominantly used method in 2016 and onwards. Furthermore, Realkredit Danmark is looking into the consequences of legislation that has already been implemented, including the Liquidity Coverage Ratio, as this and other legislation have affected the liquidity of Danish mortgage bonds and led to major price differences between the bond series.

In January 2016, the Danish FSA approved Danske Bank Group's changed IRB models prepared to comply with the FSA's order of June 2013. The models will be implemented at the end of the first quarter of 2016, and this is expected to cause Realkredit Danmark's REA to increase.

Supervisory diamond for mortgage credit institutions

Realkredit Danmark currently complies with all the threshold values. In order to continue to comply with the threshold value for loans with short-term funding, Realkredit Danmark is making an effort to reduce the volume of loans with refinancing, as the annual volume will otherwise exceed the threshold value.

The volume of loans with an interest-only option is declining steadily. Developments in the threshold value are to a large extent affected by the volume of demand for new interest-only loans, including the degree to which customers re-mortgage their loans to a new interest-only loan when their interest-only period expires. In 2015, 39% of Realkredit Danmark's new lending was secured on owner-occupied dwellings and holiday homes with an interest-only option. Furthermore, about two out of three customers whose interest-only option has expired have started to pay instalments on their loans. Realkredit Danmark expects this

pattern to continue, to the effect that the proportion will eventually be below the 9.1% recorded at the end of 2015.

The remaining three threshold values for lending growth, borrower's interest rate exposure and large exposures have so far not given rise to problems, and Realkredit Danmark does not expect to approach the limits in the coming years. For all the threshold values, Realkredit Danmark has defined internal limits to ensure that action is taken in due time before a threshold value is potentially exceeded.

Threshold value	2015 Q4	Limit
Growth in lending¹		
Owner-occupied dwellings and holiday homes	-0.5%	15%
Residential rental property	1.3%	15%
Agriculture	-0.1%	15%
Other	2.2%	15%
Borrower interest-rate risk²		
Properties for residential purposes	11.3%	25%
Interest-only option³		
Owner-occupied dwellings and holiday homes	9.1%	10%
Loans with short-term funding⁴		
Refinancing, annually	22.9%	25%
Refinancing, quarterly	9.1%	12.5%
Large exposures⁵		
Sum of large exposures relative to common equity tier 1 capital	40%	100%

¹ The annual growth must be lower than 15% unless the size of the segment is smaller than the institution's total capital.

² The proportion of loans for which the loan-to-value ratio is at least 75% of the statutory maximum loan limit and for which the interest rate has been locked for up to two years must not represent more than 25% of the total loan portfolio.

³ The proportion of interest-only loans for which the loan-to-value ratio is more than 75% of the statutory maximum loan limit, must represent less than 10% of the total loan portfolio.

⁴ The proportion of lending to be refinanced must be less than 12.5% per quarter and less than 25% of the total loan portfolio.

⁵ The sum of the 20 largest exposures must be less than the core equity tier 1 capital.

Organisation and management

Management

Realkredit Danmark A/S is a wholly-owned subsidiary of Danske Bank A/S. The Board of Directors consists of six directors, two of whom are elected by the employees.

After the annual general meeting on 5 March 2015, Tonny Thierry Andersen was appointed chairman and Lars Mørch vice chairman of the Board of Directors.

The Board of Directors defines the overall principles for the Group's operations. The Executive Board is in charge of day-to-day management and must comply with the guidelines and directions given by the Board of Directors. The rules of procedure lay down the precise division of responsibilities between the Board of Directors and the Executive Board. Board members elected by the shareholders in general meeting are elected for terms of one year and are eligible for reelection. Employee representatives are elected for terms of four years (most recently in 2013) and are eligible for reelection.

Employees

At the end of 2015, the number of full-time equivalent staff at the Realkredit Danmark Group was 239.

Mortgage Credit Products unit

Realkredit Danmark has pooled the responsibility for developing and maintaining its product portfolio in a new unit called Mortgage Credit Products. The unit is to ensure that Realkredit Danmark consistently offers the market's best mortgage loans and services to personal and business customers alike. The unit is also responsible for ensuring that Realkredit Danmark complies with the increasing requirements and regulations.

Internal control and risk management systems used in the financial reporting process and Internal Audit

As laid down in the Danish Financial Business Act, the Board of Directors is responsible for ensuring that the Executive Board maintains effective procedures to identify, manage, monitor and report on risks, adequate internal control procedures as well as satisfactory IT controls and security measures.

Good accounting practices are based on authorities, segregation of duties, regular reporting requirements and general transparency in respect of the Group's business.

Realkredit Danmark regularly assesses risks in relation to financial reporting, with particular focus on items where estimates and judgments could significantly affect the value of assets or liabilities. These critical financial statement items

are listed under Significant accounting estimates and assessments.

Realkredit Danmark has implemented controls to counter identified financial reporting risks and regularly monitors changes in and compliance with relevant legislation and other financial reporting rules and regulations. Controls have been established for the purpose of preventing, detecting and correcting any errors or irregularities in financial reporting.

Realkredit Danmark has outsourced a number of activities to Danske Bank A/S. In this connection, Realkredit Danmark has established a governance structure to monitor the outsourced activities and to ensure a procedure involving ongoing reporting for the individual organisational levels within the Group. Internal management reporting is based on the same principles as external reporting.

Internal Audit regularly examines operational processes for internal management reporting and audit, focusing, among other things, on significant areas of Realkredit Danmark's risk management, including reporting on this.

The Executive Board regularly reports to the Board of Directors on compliance with the risk and investment framework set out and the statutory investment rules. The Board of Directors also receives accounting information on an ongoing basis. Compliance regularly submits reports to the Board of Directors on compliance with rules and regulations, including any violation of internal business procedures and policies.

Audit Committee

The Board of Directors has set up an audit committee to prepare the work of the Board of Directors on financial reporting and audit matters, including related risk matters, which the Board of Directors, the committee itself, the external auditors or the head of Internal Audit intend to review further. The committee works on the basis of clearly defined terms of reference. The committee is not authorised to make independent decisions; instead they report exclusively to the combined Board of Directors. In 2015, the Audit Committee held six meetings.

Corporate responsibility

Realkredit Danmark is part of Danske Bank Group, and more information about corporate responsibility is available at danskebank.com/responsibility. CR Report 2015 and CR Fact Book 2015 can be downloaded from this website.

Income statement and Comprehensive income

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
	Profit				
4	Interest income	21,886	23,896	21,884	23,894
5	Interest expense	14,821	16,904	14,820	16,904
	Net interest income	7,065	6,992	7,064	6,990
	Dividends from shares	1	-	-	-
	Fee and commission income	649	478	649	478
	Fee and commission expense	1,158	1,002	1,158	1,002
3	Net fee and commission income	6,557	6,468	6,555	6,466
3, 6	Value adjustments	-441	-583	-440	-583
	Other operating income	192	129	38	2
7-9	Staff costs and administrative expenses	784	811	678	706
	Impairment, depreciation and amortisation charges	3	4	1	1
10	Loan impairment charges	432	1,171	432	1,170
	Income from associates and group undertakings	3	2	28	17
	Profit before tax	5,092	4,030	5,070	4,025
11	Tax	1,202	974	1,188	969
	Net profit for the year	3,890	3,056	3,882	3,056
	Proposal for allocation of profits				
	Net profit for the year			3,882	3,056
	Transferred from other reserves			2,577	2,158
	Total for allocation			6,459	5,214
	Portion attributable to				
	Reserves in series			2,959	2,214
	Other reserves			-	-
	Proposed dividends			3,500	3,000
	Total allocation			6,459	5,214
	Comprehensive income				
	Net profit for the year	3,890	3,056	3,882	3,056
	Other comprehensive income				
	Items that will not be reclassified to profit or loss				
	Actuarial gains/losses on defined benefit plans	-19	41	-19	41
	Fair value adjustment of domicile property	-	-	1	-
	Tax	4	-10	4	-10
	Total comprehensive income	-15	31	-14	31
	Total comprehensive income for the year	3,875	3,087	3,868	3,087

Balance sheet

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
	ASSETS				
	Cash in hand and demand deposits with central banks	207	244	207	244
12	Due from credit institutions and central banks	28,489	25,638	28,434	25,594
13	Bonds at fair value	30,210	29,292	30,210	29,292
14	Bonds at amortised cost	29,597	30,508	29,597	30,508
15-16, 19	Mortgage loans at fair value	744,383	744,502	744,383	744,502
15, 17-19	Loans and other amounts due at amortised cost	783	919	749	883
	Shares	2	2	-	-
20	Holdings in associates	18	15	18	15
	Holdings in group undertakings	-	-	129	129
	Land and buildings	-	90	-	140
21	Domicile property	-	90	-	140
22	Other tangible assets	10	10	5	5
	Current tax assets	-	141	-	137
23	Deferred tax assets	-	-	-	-
24	Assets temporarily taken over	122	106	161	106
19, 25	Other assets	2,743	3,080	2,693	3,030
	Prepayments	10	8	7	6
	Total assets	836,574	834,555	836,593	834,591
	LIABILITIES AND EQUITY				
	AMOUNTS DUE				
26	Due to credit institutions and central banks	16,611	10,018	16,611	10,018
27	Issued mortgage bonds at fair value	745,223	739,358	745,223	739,358
28	Issued bonds at amortised cost	17,721	27,415	17,721	27,415
	Current tax liabilities	25	-	24	-
23	Deferred tax liabilities	69	72	-	-
29, 30	Other liabilities	8,179	9,821	8,109	9,744
	Deferred income	-	-	-	-
	Total amounts due	787,828	786,684	787,688	786,535
	PROVISIONS				
23	Deferred tax	-	-	79	85
30	Reserves in early series subject to a reimbursement obligation	-	-	49	62
	Total provisions	-	-	128	147
	SHAREHOLDERS' EQUITY				
	Share capital	630	630	630	630
	Revaluation reserve	-	-	31	33
	Reserves in series	42,613	43,693	42,613	43,693
	Other reserves	2,003	548	2,003	553
	Proposed dividends	3,500	3,000	3,500	3,000
	Total shareholders' equity	48,746	47,871	48,777	47,909
	Total liabilities and equity	836,574	834,555	836,593	834,591

Statement of capital

Realkredit Danmark Group

(DKK millions)	Share capital	Reserves in series	Other reserves	Proposed dividends	Total
Shareholders' equity at 1 January 2015	630	43,693	548	3,000	47,871
Net profit for the year	-	2,959	931	-	3,890
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	-19	-	-19
Tax	-	-	4	-	4
Total comprehensive income for the year	-	2,959	916	-	3,875
Transferred from/to Other reserves	-	-4,039	4,039	-	-
Dividend paid	-	-	-	-3,000	-3,000
Proposed dividends	-	-	-3,500	3,500	-
Shareholders' equity at 31 December 2015	630	42,613	2,003	3,500	48,746
Shareholders' equity at 1 January 2014	630	42,292	1,862	2,100	46,884
Net profit for the year	-	2,214	842	-	3,056
Other comprehensive income					
Actuarial gains/losses on defined benefit plans	-	-	41	-	41
Tax	-	-	-10	-	-10
Total comprehensive income for the year	-	2,214	873	-	3,087
Transferred from/to Other reserves	-	-813	813	-	-
Dividend paid	-	-	-	-2,100	-2,100
Proposed dividends	-	-	-3,000	3,000	-
Shareholders' equity at 31 December 2014	630	43,693	548	3,000	47,871

Statement of capital

Realkredit Danmark A/S

(DKK millions)	Share capital	Revaluation reserve	Reserves in series	Other reserves	Proposed dividends	Total
Shareholders' equity at 1 January 2015	630	33	43,693	553	3,000	47,909
Net profit for the year	-	-	2,959	923	-	3,882
Other comprehensive income						
Actuarial gains/losses on defined benefit plans	-	-	-	-19	-	-19
Fair value adjustment of domicile property	-	-2	-	3	-	1
Tax	-	-	-	4	-	4
Total comprehensive income for the year	-	-2	2,959	911	-	3,868
Transferred from/to Other reserves	-	-	-4,039	4,039	-	-
Dividend paid	-	-	-	-	-3,000	-3,000
Proposed dividends	-	-	-	-3,500	3,500	-
Shareholders' equity at 31 December 2015	630	31	42,613	2,003	3,500	48,777
Shareholders' equity at 1 January 2014	630	34	42,292	1,866	2,100	46,922
Net profit for the year	-	-	2,214	842	-	3,056
Other comprehensive income						
Actuarial gains/losses on defined benefit plans	-	-	-	41	-	41
Fair value adjustment of domicile property	-	-1	-	1	-	-
Tax	-	-	-	-10	-	-10
Total comprehensive income for the year	-	-1	2,214	874	-	3,087
Transferred from/to Other reserves	-	-	-813	813	-	-
Dividend paid	-	-	-	-	-2,100	-2,100
Proposed dividends	-	-	-	-3,000	3,000	-
Shareholders' equity at 31 December 2014	630	33	43,693	553	3,000	47,909

At the end of 2015, the share capital was made up of 6,300,000 shares of DKK 100 each. All shares carry the same rights; there is thus only one class of shares. The company is wholly-owned by Danske Bank A/S, Copenhagen. Realkredit Danmark A/S and group undertakings are included in the consolidated financial statements of Danske Bank A/S, Copenhagen.

The revaluation reserves relate to fair value adjustment of domicile property.

Statement of capital

	Realkredit Danmark Group	
	31 Dec. 2015	31 Dec. 2014
(DKK millions)		
Total capital and Total capital ratio		
Shareholders' equity	48,746	47,871
Revaluation of domicile property at fair value	40	50
Tax effect	-9	-12
Total equity calculated in accordance with the rules of the Danish FSA	48,777	47,909
Proposed dividends	-3,500	-3,000
Revaluation reserve	-	-
Deferred tax assets	-	-
Defined benefit pension fund assets	-106	-55
Common equity tier 1 capital	45,171	44,854
Difference between expected losses and impairment charges	-	-
Tier 1 capital	45,171	44,854
Reserves in series subject to a reimbursement obligation	-	-
Revaluation reserve	-	-
Difference between expected losses and impairment charges	601	676
Total capital	45,772	45,530
Risk exposure amount	118,092	131,875
Common equity tier 1 capital ratio (%)	38.3	34.0
Tier 1 capital ratio (%)	38.3	34.0
Total capital ratio (%)	38.8	34.5

Total capital and the total risk exposure amount at 31 December 2015 have been calculated in accordance with the rules applicable under the CRR/CRD IV taking transitional rules into account as stipulated by the Danish FSA. A new filter will be introduced for deduction from common equity tier 1 capital of additional value adjustments of assets and liabilities measured at fair value (prudent valuation). The European Banking Authority (EBA) has submitted its final standard for adoption by the European Commission. Adoption is still pending but is expected in the near future. The final stipulations of the standard are expected to lead to a small reduction in common equity tier 1 capital.

The solvency need calculation is described in more detail on rd.dk.

Statement of capital

	Realkredit Danmark A/S	
(DKK millions)	31 Dec. 2015	31 Dec. 2014
Total capital and Total capital ratio		
Shareholders' equity	48,777	47,909
Proposed dividends	-3,500	-3,000
Revaluation reserve	-	-
Deferred tax assets	-	-
Defined benefit pension fund assets	-106	-55
Common equity tier 1 capital	45,171	44,854
Difference between expected losses and impairment charges	-	-
Tier 1 capital	45,171	44,854
Reserves in series subject to a reimbursement obligation	-	-
Revaluation reserve	-	-
Difference between expected losses and impairment charges	600	676
Total capital	45,771	45,530
Risk exposure amount	117,938	131,712
Common equity tier 1 capital ratio (%)	38.3	34.1
Tier 1 capital ratio (%)	38.3	34.1
Total capital ratio (%)	38.8	34.6

Total capital and the total risk exposure amount at 31 December 2015 have been calculated in accordance with the rules applicable under the CRR/CRD IV taking transitional rules into account as stipulated by the Danish FSA. A new filter will be introduced for deduction from common equity tier 1 capital of additional value adjustments of assets and liabilities measured at fair value (prudent valuation). The European Banking Authority (EBA) has submitted its final standard for adoption by the European Commission. Adoption is still pending but is expected in the near future. The final stipulations of the standard are expected to lead to a small reduction in common equity tier 1 capital.

The solvency need calculation is described in more detail on rd.dk.

Cash flow statement

	Realkredit Danmark Group	
(DKK millions)	2015	2014
Cash flow from operating activities		
Profit before tax	5,092	4,030
Adjustment for other non-cash operating items		
Amortisation, depreciation and impairment charges	3	4
Loan impairment charges	-274	647
Other non-cash items	-	-
Tax paid	-1,036	-991
Total	3,785	3,690
Cash flow from operating capital		
Bonds and shares	-5,671	1,424
Mortgage loans	-13,816	-6,902
Issued mortgage bonds	10,000	1,645
Due to credit institutions	6,593	-22,483
Other assets/liabilities	-643	-394
Cash flow from operating activities	248	-23,020
Cash flow from investing activities		
Acquisition of tangible assets	-2	-2
Sale of tangible assets	-	-
Cash flow from investing activities	-2	-2
Cash flow from financing activities		
Dividends	-3,000	-2,100
Cash flow from financing activities	-3,000	-2,100
Cash and cash equivalents at 1 January	25,882	51,004
Change in cash and cash equivalents	-2,754	-25,122
Cash and cash equivalents at 31 December	23,128	25,882
Cash and cash equivalents at 31 December		
Cash in hand and demand deposits with central banks	207	244
Amounts due from credit institutions and central banks within 3 months	22,921	25,638
Total	23,128	25,882

Notes

Note

1 SIGNIFICANT ACCOUNTING POLICIES

General

Realkredit Danmark prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with applicable interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Furthermore, the consolidated financial statements comply with the requirements for annual reports formulated by NASDAQ OMX Copenhagen and the Danish FSA's executive order No. 1306 dated 16 December 2008 on the use of IFRSs by undertakings subject to the Danish Financial Business Act.

The Group has not changed its significant accounting policies from those followed in Annual Report 2014.

For the purpose of clarity, the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that information not considered material in terms of quantitative and qualitative measures or relevant to financial statement users is not presented in the notes.

Critical accounting estimates and assessments

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the Group's consolidated financial statements. The amount most influenced by critical estimates and assessments is the fair value measurement of mortgage loans.

The estimates and assumptions are based on estimates that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values.

Fair value measurement of mortgage loans

The fair value of mortgage loans is based on the fair value of the underlying issued mortgage bonds adjusted for changes in the fair value of the credit risk on borrowers.

For mortgage loans granted to customers in rating categories 10 and 11 (loans with objective evidence of impairment), such adjustment is made to the amount which the borrower is expected to be able to repay after a financial restructuring. Loans are written down to the fair value of the collateral if financial restructuring is not possible or in case of asset financing.

A collective assessment also determines the need for changes to reflect fair value adjustments of the credit risk of the remaining portion of the portfolio. No changes are made if it is possible to raise the administration margin on loans (credit margin) sufficiently to compensate for the higher credit risk and market risk premiums on mortgage loans. If it is not possible to raise the administration margin sufficiently

or at all, a collective adjustment is made, reflecting trends in expected losses, unexpected losses (volatility) and the possibility of raising administration margins in the future. The expected future cash flows are discounted at the current market rate with the addition of a risk premium.

Consolidation

Group undertakings

The financial statements consolidate the parent company and group undertakings in which the Group has control over financial and operating policy decisions. Control is said to exist if Realkredit Danmark A/S is exposed to variable returns from the entity and, directly or indirectly, holds more than half of the voting rights in an undertaking or otherwise has power to control management and operating policy decisions affecting the variable returns.

The consolidated financial statements are prepared by consolidating items of the same nature and eliminating intra-group transactions, balances and trading profits and losses.

Associates

Associates are businesses, other than group undertakings, in which the Group has holdings and significant but not controlling influence. The Group generally classifies businesses as associates, if Realkredit Danmark A/S, directly or indirectly, holds 20-50% of the voting rights and also influences management and operating policy decisions.

Holdings are recognised at cost at the date of acquisition and are subsequently measured according to the equity method. The proportionate share of the net profit or loss of the individual business is included under Income from associate. The share is calculated on the basis of data from financial statements with balance sheet dates no earlier than three months before the Group's balance sheet date. The proportionate share of the profit and loss on transactions between associates and the Realkredit Danmark Group is eliminated.

Segment reporting

Realkredit Danmark operates two primary business segments, mortgage finance and a proprietary portfolio. The business segments are based on ongoing internal reporting of customer-facing activities (mortgage finance) and risk management (proprietary portfolio).

The part of the bond portfolio that is not related to mortgage lending operations is managed under the proprietary portfolio segment.

Notes

Note

Offsetting

Assets and liabilities are offset when the Group and the counterparty have a legally enforceable right to set off a recognised amount and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Holdings of own bonds do not constitute a claim on a counterparty, but reduce the Group's liability under the issued bonds. Holdings of own mortgage bonds are therefore set off against Issued mortgage bonds at fair value.

Translation of transactions in foreign currencies

The presentation currency of the consolidated financial statements is Danish kroner, which is the functional currency of Realkredit Danmark.

Transactions in foreign currency are translated at the exchange rate of the functional currency at the transaction date. Gains and losses on exchange rate differences arising between the transaction date and the settlement date are recognised in the income statement.

Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date. Exchange rate adjustments of monetary assets and liabilities arising as a result of differences in the exchange rates at the transaction date and at the balance sheet date are recognised in the income statement.

Financial instruments – general

Purchases and sales of financial instruments are measured at fair value at the settlement date. Fair value adjustments of unsettled financial instruments are recognised from the trading date to the settlement date.

Classification

At initial recognition, financial assets are divided into the following categories:

- Securities classified either at fair value through profit or loss or at amortised cost as a held-to-maturity portfolio.
- Mortgage loans designated at fair value through profit or loss.
- Loans and receivables measured at amortised cost.

At initial recognition, a financial liability is assigned to one of the following categories:

- Issued mortgage bonds designated at fair value through profit or loss.
- Other financial liabilities measured at amortised cost.

Fair value option – mortgage loans and issued mortgage bonds at fair value through profit or loss

Mortgage loans granted under Danish mortgage finance law are funded by issuing listed mortgage bonds with matching terms. Borrowers may repay such mortgage loans by delivering the underlying bonds.

Realkredit Danmark buys and sells own mortgage bonds on an ongoing basis because such securities play an important role in the Danish money market. If mortgage loans and issued mortgage bonds were measured at amortised cost, the purchase and sale of own mortgage bonds would result in timing differences in the recognition of gains and losses.

The purchase price would not equal the amortised cost of the issued bonds. Moreover, elimination would result in arbitrary recognition of gains and losses. If the Group subsequently decided to sell its holding of own mortgage bonds, the new amortised cost of this "new issue" would not equal the amortised cost of the matching mortgage loans, and the difference would be amortised over the remaining term to maturity.

Consequently, the Group has chosen to recognise mortgage loans and issued mortgage bonds at fair value in accordance with the fair value option offered by IAS 39 to ensure that neither gain nor loss will occur on the purchase of own mortgage bonds.

The fair value of the mortgage loans is based on the fair value of the underlying mortgage bonds adjusted for the credit risk on borrowers. The fair value adjustment of the mortgage loans largely equals the fair value adjustment of the mortgage bonds issued.

The fair value adjustment of the mortgage loans and the issued mortgage bonds is recognised under Value adjustments, except for the part of the value adjustment that concerns the credit risk on mortgage loans: this part is recognised under Loan impairment charges.

Hedge accounting

Realkredit Danmark uses derivatives to hedge the interest rate risk on fixed-rate liabilities measured at amortised cost. Hedged risks that meet the criteria for fair value hedge accounting are treated accordingly. The interest rate risk on the hedged liabilities is measured at fair value through profit or loss.

BALANCE SHEET

Bonds at fair value

At initial recognition, these bonds are measured at fair value, excluding transaction costs. Subsequently, bonds are measured at fair value through profit or loss.

If an active market exists, fair value is based on the most recently observed market price at the balance sheet date.

If a bond is quoted in a market that is not active, the Group bases its measurement on the most recent transaction price. Adjustment is made for subsequent changes in market conditions, for instance by including transactions in similar bonds that are motivated by normal business considerations.

Notes

Note

If no active market exists, fair value is calculated on the basis of generally accepted valuation techniques and market-based parameters. Market-based parameters are used for measuring fair value.

Bonds at amortised cost

Realkredit Danmark has a held-to-maturity bond portfolio. These bonds are not managed on a fair value basis and are held for the purpose of generating a known return until maturity. The bonds are measured at amortised cost as a held-to-maturity portfolio. Interest rate risk is not hedged.

Mortgage lending and Issued mortgage bonds at fair value

At initial recognition, mortgage loans and issued mortgage bonds are measured at fair value, exclusive of transaction costs. Such assets are subsequently measured at fair value.

The fair value of the issued mortgage bonds will usually equal the market value. However, a small part of the issued bonds are illiquid, and the fair value of these bonds is calculated on the basis of a discounted cash flow valuation model.

The fair value of mortgage loans is based on the fair value of the underlying issued mortgage bonds adjusted for changes in the fair value of the credit risk on borrowers.

For mortgage loans granted to customers in rating categories 10 and 11 (all loans with objective evidence of impairment), each loan is adjusted to reflect the fact that the expected payments deviate from the agreed payments. The debt is written down to the amount that the borrower is expected to be able to repay after a financial restructuring. Loans are written down to the fair value of the collateral if financial restructuring is not possible or if the borrower only to a limited extent is able to service the loan independently of the assets provided as collateral for the loan (asset financing).

Loans are classified in rating categories 10 and 11 if at least one of the following events has occurred:

- the borrower is experiencing significant financial difficulty
- the borrower's actions, such as default or delinquency in interest or principal payments, lead to a breach of contract
- the Group grants to the borrower a concession that Realkredit Danmark would not grant had it not been for the borrower's financial difficulty
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation

A collective assessment also determines the need for changes to reflect fair value adjustments of the credit risk of the remaining portion of the portfolio.

No changes are made if it is possible to raise the administration margin on loans (credit margin) sufficiently to compen-

sate for any higher credit risk and market risk premium on mortgage loans. If it is not possible to raise the administration margin sufficiently or at all, a collective adjustment is made, reflecting trends in expected losses, unexpected losses (volatility) and the possibility of raising administration margins in the future. The expected future cash flows are discounted at the current market rate with the addition of a risk premium.

Due from credit institutions and central banks and Loans and other amounts due at amortised cost

Amounts due from credit institutions and central banks comprise amounts due from other credit institutions and time deposits with central banks. Reverse transactions (purchases of securities from credit institutions and central banks that the Group agrees to resell at a later date) are recognised as Amounts due from credit institutions and central banks. Reverse transactions are made on standard terms and conditions.

Loans and other amounts due carried at amortised cost consist of mortgage payments due and other outlays relating to mortgage loans as well as claims against individual borrowers and reserve fund mortgages, etc.

Impairment of these claims is made according to the same principles as described above for mortgage loans classified in rating categories 10 and 11. However, for discounting purposes the original effective interest rate is used instead of the current interest rate.

Domicile property

Domicile property is real property occupied by the Group's administrative departments and the like. Real property with both domicile and investment property elements is allocated proportionally to the two categories if the elements are separately sellable. If that is not the case, such real property is classified as domicile property, unless the Group occupies less than 10% of the total floorage.

Domicile property is measured at cost plus property improvement expenditure and less depreciation and impairment charges. The straight-line depreciation of the property is based on the expected scrap value and an estimated useful life of 20 to 50 years.

Domicile property is tested for impairment if evidence of impairment exists, and the property is written down to its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Notes

Note

Domicile property which, according to a publicly announced plan, the Group expects to sell within twelve months is recognised as an asset held for sale under Assets temporarily taken over.

Other tangible assets

Equipment, vehicles, furniture, fixtures and property improvement expenditure are recognised at cost less depreciation and impairment charges. Assets are depreciated over their expected useful lives, which are usually three years, according to the straight-line method. Property improvement expenditure is depreciated over the term of the lease, with a maximum of ten years.

Other tangible assets are tested for impairment if evidence of impairment exists, and the asset is written down to its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Assets temporarily taken over

Assets temporarily taken over include tangible assets, which the Group, according to a publicly announced plan, expects to sell within twelve months. Such assets are measured, from the time at which the above conditions are met, at the lower of their carrying amount at the time of classification and their fair value less expected costs to sell and are no longer depreciated.

Properties taken over which are likely to be sold within 12 months are presented under Assets temporarily taken over. Subsequent fair value adjustments and gains or losses on disposal are recognised under Loan impairment charges.

Other assets

Other assets include derivatives, interest receivable and pension assets. Derivatives are recognised at fair value through profit or loss ratios.

Pension assets

The Group's pension obligations consist of both defined contribution and defined benefit pension plans for its staff. Under the defined contribution plans, the Group pays regular contributions to insurance companies and other institutions. Such payments are expensed as they are earned by the staff, and the obligations under the plans are taken over by the insurance companies and other institutions.

Under the defined benefit plan maintained under Kreditforeningen Danmarks Pensionsafvklingskasse (pension fund), Realkredit Danmark A/S guarantees future payment of a defined benefit from the time of retirement.

The pension fund and Realkredit Danmark's defined benefit plan has not accepted new members since 1971. The amounts payable are recognised on the basis of an actuarial computation of the present value of expected benefits. The present value is calculated on the basis of expected future trends in salaries and interest rates, time of retirement, mortality rate and other factors.

The fair value of pension assets less the present value of pension benefits is carried as a pension asset under Other assets on the balance sheet.

Amounts due to credit institutions and central banks

Amounts due to credit institutions and central banks include amounts received under repo transactions. Repo transactions are made on standard terms and conditions. Amounts due to credit institutions and central banks are measured at amortised cost.

Issued bonds at amortised cost

Issued bonds at amortised cost consist of issued senior debt. Senior debt is measured at amortised cost plus the fair value of the hedged interest rate risk.

Deferred tax assets/Deferred tax liabilities

Deferred tax on all temporary differences between the tax base of assets and liabilities and their carrying amounts is accounted for in accordance with the balance sheet liability method. Deferred tax is recognised under Deferred tax assets or Deferred tax liabilities.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of adopted changes in tax rates are recognised in the income statement based on expected cash flows.

Current tax assets/Current tax liabilities

Current tax assets and liabilities are recognised in the balance sheet as the estimated tax charge on the profit for the year adjusted for prepaid tax and prior-year tax payables and receivables.

Tax assets and liabilities are offset if the Group has a legally enforceable right to set off such assets and liabilities and intends either to settle the assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Other liabilities

Other liabilities includes derivatives, interest payable and accrued fee.

Other liabilities also includes Reserves in early series subject to a reimbursement obligation and other provisions.

Shareholders' equity

Reserves in series

Reserves in series comprise series established before 1972 with joint and several liability and with a repayment obligation, series established after 1972 without joint and several liability and without a repayment obligation, other series, including Danske Kredit and mortgage-covered bonds.

Notes

Note

Other reserves

Other reserves comprise the mortgage credit business that is not included in reserves in series.

Proposed dividends

The Board of Directors' proposal for dividends for the year submitted to the general meeting is included as a separate reserve in shareholders' equity. The dividends are recognised as a liability when the general meeting has adopted the proposal.

INCOME STATEMENT

Interest income and expense

Interest income and expenses include interest and administration margins on financial instruments measured at fair value. Origination fees on mortgage loans carried at fair value are recognised as Interest income at origination.

Fees and commission income and expense

Income from mortgage loans carried at fair value is recognised when the transaction is completed. Income and expenses for services provided over a period of time are accrued over the period. Transaction fees are recognised on completion of the individual transaction.

Value adjustments

Value adjustments comprise realised and unrealised capital gains and losses on bonds at fair value, mortgage loans, issued mortgage bonds and fixed-price agreements as well as exchange rate adjustments.

Staff costs and administrative expenses

Staff costs

Salaries and other remuneration that the Group expects to pay for work carried out during the year are expensed under Staff costs and administrative expenses. This item comprises salaries, bonuses, expenses for share-based payments, holiday allowances, anniversary bonuses, pension costs and other remuneration. Performance-based pay is expensed as it is earned.

Performance-based pay and share-based payments

Performance-based pay is expensed as it is earned. Part of the performance-based pay for the year is paid in the form of conditional shares issued by Danske Bank. Rights to shares under the conditional share programme vest up to three years after being granted provided that the employee, with the exception of retirement, has not resigned from the Group. Retirement is not considered as resignation.

The fair value of share-based payments at the grant date is expensed over the service period that unconditionally entitles the employee to the payment. The intrinsic value of the option is expensed in the year in which the share-based payments are earned, whereas the time value is accrued over the remaining service period. Expenses are set off against shareholders' equity. The increase in shareholders' equity is eliminated by set-off against an interim account with Danske Bank

A/S. Subsequent changes in the fair value are not recognised in the income statement.

Pension obligations

The Group's contributions to defined contribution pension plans are recognised in the income statement as they are earned by the employees. For defined benefit pension plans, the Group recognises actuarial pension expenses (standard cost), while gains or losses as a result of the difference between expected trends and actual trends are recognised in Other comprehensive income.

Loan impairment charges

Loan impairment charges includes the fair value adjustment of the credit risk on mortgage loans as well as losses on and impairment charges for other loans and amounts due.

The item also includes impairment charges and realised gains and losses on acquired assets if the assets qualify as assets temporarily taken over. Similarly, subsequent value adjustments of assets that the Group has taken over and does not expect to sell within 12 months are recognised under loan impairment charges, provided that the Group has a right of recourse against the borrower.

Tax

Calculated current and deferred tax on the profit for the year and adjustments of tax charges for previous years are recognised in the income statement. Tax on items recognised in Other comprehensive income is recognised in Other comprehensive income. Similarly, tax on items recognised in shareholders' equity is recognised in Shareholders' equity.

Comprehensive income

Total comprehensive income includes the net profit for the year and other comprehensive income.

Cash flow statement

The cash flow statement is prepared according to the indirect method. The statement is based on the pre-tax profit for the year and shows the cash flows from operating, investing and financing activities and the increase or decrease in cash and cash equivalents during the year.

Cash and cash equivalents consists of Cash in hand and demand deposits with central banks and Amounts due from credit institutions and central banks with original maturities shorter than three months.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of amendments to international accounting standards that have not yet come into force. Similarly, the International Financial Reporting Interpretations Committee (IFRIC) has issued a new interpretation that has not yet come into force. The sections below explain the changes that are likely to affect the Group's future financial reporting.

IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9 Financial Instruments, which will replace the principles of IAS 39. The standard provides principles for classification of financial instruments, impairment of financial assets recognised in the income statement at amortised cost and general hedge accounting provisions. IASB is still working on new provisions on hedge accounting for portfolio hedges. IFRS 9, which has not yet been adopted by the EU, will take effect from 1 January 2018.

Under IFRS 9, financial assets are classified on the basis of the business model adopted and the contractual cash flow characteristics of the assets, including any embedded derivatives (unlike IAS 39, IFRS 9 no longer requires bifurcation). Assets held with the objective exclusively of collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost. Assets held with the objective both of collecting contractual cash flows and being sold and which also have contractual cash flows that are solely payments of principal and interest are measured at fair value through Other Comprehensive Income. This results in assets recognised at fair value in the balance sheet and at amortised cost in the income statement. Other assets are measured at fair value through profit or loss.

The principles applicable to financial liabilities are largely unchanged from IAS 39. Generally, financial liabilities are still measured at amortised cost with bifurcation of embedded derivatives not closely related to a host contract. Financial liabilities that are derivatives or are included in the trading portfolio are measured at fair value.

The fair value option in IAS 39, under which an entity may opt for fair value adjustment of financial assets and liabilities if certain criteria are met, is incorporated in IFRS 9. Value adjustments relating to the inherent credit risk of financial liabilities are, however, recognised in Other comprehensive income after implementation of IFRS 9, unless this leads to an accounting mismatch.

For financial assets recognised at amortised cost (in the income statement), the value must be reduced by expected credit losses. An entity must assess whether the credit risk has increased significantly since the asset was acquired. Where no significant increase has been recorded, 12 months of expected losses should be recognised. Where there has been a significant increase in credit risk, the expected loss is written down over the expected life of the asset.

The general hedge accounting model does not fundamentally change the types of hedging relationships or the requirements to recognise ineffectiveness. IFRS 9 contains an option to continue to apply the hedge accounting principles of IAS 39 until the IASB has completed the project on new macro hedge accounting.

The Group is currently assessing the effect of the standard. Mortgage lending and issued mortgage bonds can still be recognised at fair value through profit or loss using the fair value

option, as an accounting mismatch would otherwise arise in the income statement. The new principles for impairment of financial assets are not expected to have any direct impact on the recognition of mortgage loans, as the loans are recognised at fair value rather than amortised cost. The Group does not expect material changes to the classification and measurement of other financial assets, including the bond portfolio. No decision has yet been made as to whether or not the Group will continue to apply the hedge accounting principles of IAS 39 (until the IASB's macro hedge accounting project is completed). It is still not possible to assess the overall accounting effect of the standard.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. IFRS 15 replaces IAS 18, Revenue, and other existing IFRSs on revenue recognition. Under IFRS 15, revenue is recognised when the performance obligations inherent in the contract with a customer are satisfied. The new standard also includes additional disclosure requirements. IFRS 15, which has not yet been adopted by the EU, is effective from 1 January 2018. The Group is currently assessing the effect of the standard. It is still not possible to assess any accounting effect of the standard.

IFRS 16 Leases

On 13 January 2016, the IASB issued IFRS 16, Leases. IFRS 16, which replaces IAS 17, Leases, will significantly change the accounting for lessees, as all leases (except short-term leases and small asset leases) will be recognised in the balance sheet. Initially, the lease liability and the right-of-use asset are measured at the present value of future lease payments (defined as economically unavoidable payments). The right-of-use asset is subsequently depreciated in a similar way to other comparable assets such as tangible assets, i.e. typically in a straight-line over the lease term.

IFRS 16, which has not yet been adopted by the EU, will take effect on 1 January 2019. It is not yet possible to give an estimate of the effect on the financial statements.

Accounting policies for the parent company

The financial statements of the parent company are prepared in accordance with the Danish Financial Business Act and the Danish FSA's Executive Order No. 281 of 26 March 2014 on Financial Reports for Credit Institutions and Investment Companies, etc. The rules are consistent with the Group's measurement principles under IFRS with the exception that domicile properties in the parent company are valued at estimated fair value (revalued amount) through Other comprehensive income. The estimated fair value of domicile properties is determined in accordance with the Danish FSA's executive order of Financial Reports for Credit Institutions and Investment Companies, etc. Holdings in subsidiary undertakings are measured using the equity method, which means that the tax payable by subsidiary undertakings is charged to the item Income from associates and group undertakings.

Notes

Note (DKK millions)

2	Profit broken down by activity	Realkredit Danmark Group				
		Mortgage finance	Own holdings	Total	Reclassification	Highlights
2015						
	Administration margin	5,770	-	5,770	-	5,770
	Net interest income	-173	1,468	1,295	-1,099	196
	Dividends from shares	-	1	1	-1	-
	Net fee income	-509	-	-509	-	-509
	Income from investment portfolios	-	-	-	662	662
	Value adjustments	531	-972	-441	441	-
	Other income	192	-	192	-	192
	Total income	5,811	497	6,308	3	6,311
	Expenses	781	6	787	-	787
	Profit before loan impairment charges	5,030	491	5,521	3	5,524
	Loan impairment charges	432	-	432	-	432
	Income from associates	-	3	3	-3	-
	Profit before tax	4,598	494	5,092	-	5,092
	Total assets	772,123	64,451	836,574	-	836,574
2014						
	Administration margin	5,704	-	5,704	-	5,704
	Net interest income	-126	1,414	1,288	-1,226	62
	Dividends from shares	-	-	-	-	-
	Net fee income	-524	-	-524	-	-524
	Income from investment portfolios	-	-	-	645	645
	Value adjustments	493	-1,076	-583	583	-
	Other income	129	-	129	-	129
	Total income	5,676	338	6,014	2	6,016
	Expenses	809	6	815	-	815
	Profit before loan impairment charges	4,867	332	5,199	2	5,201
	Loan impairment charges	1,171	-	1,171	-	1,171
	Income from associates	-	2	2	-2	-
	Profit before tax	3,696	334	4,030	-	4,030
	Total assets	760,027	74,528	834,555	-	834,555

Mortgage finance encompasses property financing services provided in Denmark, Sweden and Norway to personal and business customers. The mediation of property financing services is made through Danske Bank's branch network and finance centres and through Corporate & Institutional Mortgage Finance at Realkredit Danmark. The segment also includes mediation of real estate transactions in Denmark offered through the "home" real-estate agency chain. Under the Danish Financial Business Act, at least 60% of the total capital of a mortgage credit institution must be invested in bonds, etc. Own holdings comprise the net return on the part of the securities portfolio not relating to the mortgage finance business. Income from trading activities and own holdings is carried in the income statement under net interest income and value adjustments, etc. In the consolidated highlights, this income, except for interest on bonds at amortised cost, is reclassified to income from investment portfolios. Realkredit Danmark has no branch offices or subsidiaries outside Denmark.

IFRSs require disclosure if 10% or more of the income derives from a single customer. The Realkredit Danmark Group has no such customers.

3 Geographical segmentation

For the Realkredit Danmark Group, interest on loans to customers outside Denmark amounted to DKK 166 million (2014: DKK 230 million).

Realkredit Danmark A/S's net interest and fee income and value adjustments on loans to customers outside Denmark totalled DKK 93 million (2014: DKK 79 million).

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
4	Interest income				
	Reverse transactions with credit institutions and central banks	-101	5	-101	5
	Credit institutions and central banks	-44	2	-44	2
	Loans and other amounts due	14,891	16,888	14,889	16,886
	Administration margin	5,770	5,704	5,770	5,704
	Bonds at fair value	539	487	539	487
	Bonds at amortised cost	203	188	203	188
	Derivatives				
	Interest rate contracts	328	427	328	427
	Other interest income	300	195	300	195
	Total	21,886	23,896	21,884	23,894
	Interest income derived from				
	Assets at fair value	21,528	23,506	21,526	23,504
	Assets at amortised cost	358	390	358	390
	Total	21,886	23,896	21,884	23,894
	Interest on individually impaired financial assets recognised at amortised cost amounted to DKK 17 million (2014: DKK 20 million).				
5	Interest expense				
	Repo transactions with credit institutions and central banks	-86	7	-86	7
	Due to credit institutions and central banks	1	1	1	1
	Issued mortgage bonds etc.	14,709	16,769	14,709	16,769
	Disbursed reserve fund shares	195	126	195	126
	Other interest expense	2	1	1	1
	Total	14,821	16,904	14,820	16,904
	Interest expense derived from				
	Liabilities at fair value	14,709	16,769	14,709	16,769
	Liabilities at amortised cost	112	135	111	135
	Total	14,821	16,904	14,820	16,904
6	Value adjustments				
	Mortgage loans	-13,968	8,104	-13,968	8,104
	Bonds	-509	-413	-509	-413
	Shares	-1	-	-	-
	Currency	5	1	5	1
	Derivatives	-1,160	366	-1,160	366
	Other assets	13	1	13	1
	Issued mortgage bonds	15,139	-8,584	15,139	-8,584
	Reserves in early series subject to a reimbursement obligation	-1	-3	-1	-3
	Other liabilities	41	-55	41	-55
	Total	-441	-583	-440	-583
	Value adjustments derived from				
	Assets and liabilities at fair value	-495	-529	-494	-529
	Assets and liabilities at amortised cost	54	-54	54	-54
	Total	-441	-583	-440	-583

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
7	Staff costs and administrative expenses				
	Salaries and remuneration of Executive Board, Board of Directors and local councils				
	Executive Board	4	4	4	4
	Board of Directors	1	1	1	1
	Local councils	-	3	-	3
	Total	5	8	5	8
	Staff costs				
	Salaries	143	144	120	121
	Share-based payments	-	-	-	-
	Pensions	18	18	16	16
	Other social security costs and taxes	17	16	17	16
	Total	178	178	153	153
	Other administrative expenses	601	625	520	545
	Total staff costs and administrative expenses	784	811	678	706
	Number of full-time-equivalent staff (avg.)	234	242	202	209

A more detailed description of the Group's remuneration policy and disbursed salaries is provided in "Remuneration report 2015", which is available on the rd.dk website. Remuneration report 2015 is not covered by the statutory audit.

Remuneration of the Board of Directors (DKK thousands)

Kim Andersen	315	315	315	315
Claus Bundgaard	125	125	125	125
Lisbeth Sahlertz Nielsen	125	125	125	125
Total remuneration	565	565	565	565
Remuneration for committee work included in total remuneration	190	190	190	190
Members of the Board end of year	6	6	6	6

Members of the Board of Directors employed by Danske Bank A/S do not receive remuneration from Realkredit Danmark.

As members of the board of directors or executive board of other companies in the Danske Bank Group, Tonny Thierry Andersen earned a total remuneration from such companies in 2015 of DKK 9.6 million (2014: DKK 9.5 million), Lars Mørch earned DKK 8.8 million (2014: DKK 8.2 million), Henrik Ramlau-Hansen earned DKK 9.4 million (2014: DKK 9.3 million) and Kim Andersen earned DKK 0.3 million (2014: DKK 0.3 million).

Members of the Board of Directors only receive a fixed fee. They are not covered by any incentive programmes at Realkredit Danmark. In addition to the fixed fees, a committee fee is paid to the chairman of the Audit Committee.

Board fees are paid by the parent company Realkredit Danmark A/S. No board member has received remuneration for membership of the executive board or board of directors of the subsidiary home a/s.

The Group has no pension obligations towards its board members.

Notes

Note	(DKK millions)	
7	Staff costs and administrative expenses	
cont'd	Remuneration of the Executive Board	
	2015	Carsten Nøddebo Rasmussen
	Fixed salary	3.2
	Pension	0.4
	Variable cash remuneration	0.2
	Variable share-based remuneration	0.3
	Total amount earned	4.1
	Total amount paid	3.9

Total amount paid consists of fixed salary and pension contributions to defined contribution plans in 2015, variable cash remuneration and the exercise of conditional shares granted for earlier financial years. Variable remuneration for 2015 will be paid in subsequent financial years.

The total remuneration of the Executive Board of DKK 4.1 million for 2015 consists of a fixed remuneration of DKK 3.6 million and a variable remuneration of DKK 0.5 million.

	2014	Carsten Nøddebo Rasmussen
	Fixed salary	3.2
	Pension	0.4
	Variable cash remuneration	0.3
	Variable share-based remuneration	0.1
	Total amount earned	4.0
	Total amount paid	3.8

The total remuneration of the Executive Board of DKK 4.0 million for 2014 consists of a fixed remuneration of DKK 3.6 million and a variable remuneration of DKK 0.4 million.

The Executive Board's contracts comply with the statutory requirements for agreements on variable remuneration in financial institutions in force since 1 January 2011.

The remuneration of the Executive Board disclosed above was paid by the parent company Realkredit Danmark A/S. No member of the Executive Board has received remuneration for membership of the executive board or board of directors of the subsidiary home a/s.

Pensions

Carsten Nøddebo Rasmussen is entitled to retire at the end of the month in which he attains the age of 60. The pension obligation is covered by payments equal to 14% of his salary to a bank.

Termination

Carsten Nøddebo Rasmussen may terminate his service by giving six months' notice. Realkredit Danmark may terminate the service contract by giving 12 months' notice. In case of termination by Realkredit Danmark, Carsten Nøddebo Rasmussen is entitled to severance pay equal to 12 months' salary.

Notes

Note (DKK millions)

7 **Staff costs and administrative expenses**

cont'd

Remuneration of other material risk takers

In accordance with the Danish Financial Business Act and the accompanying order, Realkredit Danmark is required to identify all employees within the categories of staff whose professional activities could have a material impact on the risk profile of Realkredit Danmark. The European Banking Authority's final Regulatory Technical Standard that came into effect on 26 June 2014 and has been adopted by the Danish FSA outlines prescriptive qualitative and quantitative criteria for identifying material risk takers.

The identification process developed and implemented by Danske Bank Group complies with the Danish FSA and the Regulatory Technical Standard requirements.

For 2015, Realkredit Danmark A/S paid remuneration totalling DKK 43.5 million for 43 other material risk takers (2014: DKK 24.3 million for 24 other material risk takers). The remuneration consists of fixed remuneration of DKK 40.0 million and a variable remuneration of DKK 3.5 million (2014: DKK 23.5 million and DKK 0.8 million).

Realkredit Danmark A/S has no pension obligation towards other material risk takers, as these are covered by defined contribution plans through pension funds.

Pension plans

Most of the Group's pension plans are defined contribution plans under which the Group pays contributions to insurance companies. Such payments are expensed regularly. The Group has to a minor extent entered into a defined benefit pension plan through Kreditforeningen Danmarks Pensionsafvklingskasse, where the Group is under an obligation to pay defined future benefits from the time of retirement. The pension fund and the Group's defined benefit plan have not accepted new members since 1971.

The fair value of pension assets less the present value of obligations is recognised under Other assets. At 31 December 2015, the net present value of pension obligations was DKK 913 million (2014: DKK 990 million), and the fair value of plan assets was DKK 1,254 million (2014: DKK 1,342 million). The Group recognises the standard cost in the income statement, whereas actuarial gains or losses are recognised in Other comprehensive income.

The calculation of the net obligation is based on valuations made by external actuaries. These valuations rely on assumptions about a number of variables, including discount and mortality rates and salary increases. The measurement of the net obligation is particularly sensitive to changes in the discount rate. The discount rate is determined by reference to yields on Danish mortgage bonds with terms to maturity matching the terms of the pension obligations.

8 **Share-based payments**

Until 2008, the Group offered senior staff and selected other employees an incentive programme that consisted of share options and conditional shares. Incentive payments reflected individual performance and also depended on financial results and other measures of value creation in a given financial year. The options and shares are granted in the first quarter of the following year. The last grant of share options and conditional shares was made in the first quarter of 2008. The last share options expired in 2015.

Effective from 2010, part of the variable remuneration of Realkredit Danmark's Executive Board was granted by way of conditional shares.

Rights to Danske Bank shares under the conditional share programme vest up to three years after being granted provided that the employee, with the exception of retirement, has not resigned from the Group. In addition to this requirement and before pay-out of the deferred shares, back testing is conducted to assess whether the initial criteria for granting the bonus still are considered fulfilled, whether the bank's economic situation has deteriorated significantly.

Notes

Note	(DKK millions)
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8 cont'd The fair value of the conditional shares was calculated as the share price less the payment made by the employee.

The intrinsic value is expensed in the year in which the share options and rights to conditional shares are earned, while the time value is accrued over the remaining service period, which is the vesting period of up to five years.

Realkredit Danmark A/S has hedged the share price risk

Share-based payments

Share options

	Number			Fair Value (FV)		
	Executive Board	Other employees	Total	Exercise price (DKK)	At issue (DKK millions)	End of year (DKK millions)
Granted in 2008						
2014, beg.	17,449	72,898	90,347	181.1-269.4	2.3	0.1
Exercised 2014	-	-	-			
Forfeited 2014	-6,753	-34,635	-41,388			
Other changes 2014	-	-	-			
2014, end	10,696	38,263	48,959	181.1	1.1	0.1
Exercised 2015	-	-	-			
Forfeited 2015	-10,696	-38,263	-48,959			
Other changes 2015	-	-	-			
2015, end	-	-	-	-	-	-

Holdings of the Executive Board and fair value, end of 2015

Grant year (DKK millions)	2008 Number	FV
Carsten Nøddebo Rasmussen	-	-

Holdings of the Executive Board and fair value, end of 2014

Grant year (DKK millions)	2008 Number	FV
Carsten Nøddebo Rasmussen	10,696	-

No share option were held or exercised in 2015.

Notes

Note	(DKK millions)				
8 cont'd	Share-based payments				
	Conditional shares				
	Number			Fair Value (FV)	
	Executive Board	Other employees	Total	At issue (DKK millions)	End of year (DKK millions)
	Granted in 2012				
	2014, beg.	522	1,509	2,031	
	Vested 2014	-	-	-	
	Forfeited 2014	-	-	-	
	Other changes 2014	-	-	-	
	2014, end	522	1,509	2,031	0.2 0.3
	Vested in 2014				
	2014, end	-	-1,509	-1,509	
	Forfeited 2015	-	-	-	
	Other changes 2015	-	-	-	
	2015, end	522	-	522	0.0 0.1
	Granted in 2013				
	2014, beg.	761	983	1,744	
	Vested 2014	-	-	-	
	Forfeited 2014	-	-	-	
	Other changes 2014	-	-	-	
	2014, end	761	983	1,744	0.2 0.2
	Vested 2015				
	2014, end	-	-	-	
	Forfeited 2015	-	-	-	
	Other changes 2015	-	-	-	
	2015, end	761	983	1,744	0.2 0.3
	Granted in 2014				
	Granted 2014	599	405	1,004	
	Vested 2014	-	-	-	
	Forfeited 2014	-	-	-	
	Other changes 2014	-	-	-	
	2014, end	599	405	1,004	0.1 0.2
	Vested 2015				
	2014, end	-	-	-	
	Forfeited 2015	-	-	-	
	Other changes 2015	-	-	-	
	2015, end	599	405	1,004	0.1 0.2
	Granted in 2015				
	Granted 2015	587	605	1,192	
	Vested 2015	-	-242	-242	
	Forfeited 2015	-	-	-	
	Other changes 2015	-	-	-	
	2015, end	587	363	950	0.2 0.2

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
8	Share-based payments				
cont'd					
	Holdings of the Executive Board and fair value, end of 2015				
	Grant year			2012-2015	
	(DKK millions)			Number	FV
	Carsten Nøddebo Rasmussen			2,469	0.5
	Holdings of the Executive Board and fair value, end of 2014				
	Grant year			2012-2014	
	(DKK millions)			Number	FV
	Carsten Nøddebo Rasmussen			1,882	0.3
	The number of conditional shares and the employee payment price have been adjusted to reflect the capital increase in 2012. In 2015, the average price at the vesting date for rights to conditional shares was DKK 174.96. No conditional shares were vested in 2014.				
9	Audit fees				
	Audit firms appointed by the general meeting				
	Statutory audit of financial statements	1	1	1	1
	Fees for other assurance engagements	-	-	-	-
	Fees for tax advisory services	-	-	-	-
	Fees for other services	-	-	-	-
	Total	1	1	1	1
10	Loan impairment charges				
	Impairment charges etc. during the year	1,242	2,313	1,242	2,312
	Reversals of impairment charges etc. for previous years	1,516	1,666	1,514	1,666
	Losses incurred	762	585	760	585
	Received on claims previously written off	56	61	56	61
	Total	432	1,171	432	1,170
11	Tax				
	Tax on profit for the year	1,194	966	1,184	963
	Deferred tax	7	21	3	19
	Adjustment of prior-year tax charges	1	-13	1	-13
	Total	1,202	974	1,188	969
	Effective tax rate				
	Current Danish tax rate	23.5	24.5	23.5	24.5
	Adjustment of prior-year tax charge	-	-0.3	-	-0.3
	Non-taxable items	0.1	-	-0.1	-0.1
	Effective tax rate	23.6	24.2	23.4	24.1

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
12	Due from credit institutions and central banks				
	Demand deposits	910	1,290	855	1,276
	3 months or less	22,011	24,348	22,011	24,318
	3-12 months	5,568	-	5,568	-
	Total	28,489	25,638	28,434	25,594
	Due from credit institutions	20,478	25,638	20,423	25,594
	Term deposits with central banks	8,011	-	8,011	-
	Total	28,489	25,638	28,434	25,594
	At fair value	28,457	25,632	28,401	25,588
	Portion attributable to reverse transactions	18,836	15,328	18,836	15,328
	In connection with reverse transactions, Realkredit Danmark is entitled to sell or remortgage the securities. In 2015, DKK 0 million were sold or remortgaged (2014: DKK 0 million).				
13	Bonds at fair value				
	Own mortgage bonds	106,181	138,530	106,181	138,530
	Other mortgage bonds	24,964	25,686	24,964	25,686
	Government bonds	5,246	964	5,246	964
	Other bonds	-	2,642	-	2,642
	Total	136,391	167,822	136,391	167,822
	Own mortgage bonds set off against issued mortgage bonds	106,181	138,530	106,181	138,530
	Total	30,210	29,292	30,210	29,292
	Of Realkredit Danmark's bond portfolio, DKK 17.1 billion has a maturity of less than 12 months, while DKK 13.1 billion has a maturity of up to five years (2014: DKK 22.4 billion and DKK 6.9 billion).				
14	Bonds at amortised cost				
	Other mortgage bonds	29,597	30,508	29,597	30,508
	Total	29,597	30,508	29,597	30,508
	Fair value of held-to-maturity assets	29,900	30,805	29,900	30,805
	The fair value is based on quoted prices.				
	Of Realkredit Danmark's bond portfolio, DKK 27.5 billion has a term to maturity of up to five years, while DKK 2.1 billion has a term to maturity of up to ten years (2014: DKK 30.0 billion and DKK 0.5 billion).				

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
15	Total lending				
	Mortgage loans, nominal value	739,189	725,511	739,189	725,511
	Fair value adjustment of underlying bonds	9,020	22,989	9,020	22,989
	Adjustment for credit risk	3,826	3,998	3,826	3,998
	Mortgage loans at fair value	744,383	744,502	744,383	744,502
	Arrears and outlays	325	430	325	430
	Other loans	458	489	424	453
	Total	745,166	745,421	745,132	745,385
	Apart from being backed by mortgages on properties, loans are backed by central and local government guarantees and insurance guarantees of	28,275	27,373	28,275	27,373
	Pass books and bonds have been deposited and guarantees provided as supplementary security in a total amount of	84,161	89,691	84,161	89,691
	Realkredit Danmark has also received various declarations of indemnification without specification of amounts.				
	The valuation of the loans is based on the quoted price of the underlying bonds with which borrowers may repay the loans. The regular fluctuations in the price of the bonds will therefore be offset by a corresponding change in the value of the loans with the result being unaffected by the ongoing market value fluctuations, both in terms of interest and the credit risk on the issued bonds. In addition, the value of the loans is affected by credit risk changes. In 2015, DKK 172 million was expensed concerning adjustment for credit risk on loans (2014: DKK 657 million). The accumulated adjustment for credit risk amounts to DKK 3.8 billion (2014: DKK 4.0 billion).				
16	Mortgage loans at fair value				
	Mortgage loans (nominal value) broken down by property category (percentage)				
	Owner-occupied dwellings	55	55	55	55
	Holiday homes	3	3	3	3
	Subsidised residential property	9	9	9	9
	Private residential rental property	10	10	10	10
	Industrial and skilled trades property	3	3	3	3
	Office and retail property	12	12	12	12
	Agricultural property etc.	6	6	6	6
	Property for social, cultural and training activities	1	1	1	1
	Other property	1	1	1	1
	Total	100	100	100	100
	0-1 month	55,642	66,307	55,642	66,307
	1-3 months	4,749	8,836	4,749	8,836
	3-12 months	48,561	28,759	48,561	28,759
	1-5 years	162,232	135,197	162,232	135,197
	5-10 years	167,871	136,601	167,871	136,601
	Over 10 years	305,328	368,802	305,328	368,802
	Total	744,383	744,502	744,383	744,502
17	Loans and other amounts due at amortised cost				
	On demand	327	474	327	474
	3 months or less	22	21	19	18
	3-12 months	63	63	56	55
	1-5 years	137	137	117	116
	Over 5 years	234	224	230	220
	Total	783	919	749	883

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
18	Arrears and outlays				
	Arrears before impairment charges	300	317	300	317
	Outlays before impairment charges	211	403	211	403
	Impairment charges	186	290	186	290
	Total	325	430	325	430

- 19 **Loans etc.**
 Of the total fair value adjustment for the credit risk on mortgage loans, charges were recognised as an expense of DKK 3,826 million at 31 December 2015, against DKK 3,998 million at 31 December 2014.
 Of the total loan impairment charges for the credit risk on loans and other amounts due at amortised cost, charges were recognised as an expense of DKK 201 million at 31 December 2015, against DKK 303 million at 31 December 2014.

	Realkredit Danmark Group			Realkredit Danmark A/S		
	Loans individual impairment	Loans collective impairment	Total	Loans individual impairment	Loans collective impairment	Total
2015						
Impairment charges at 1 January 2015	3,590	711	4,301	3,581	711	4,292
Impairment charges during the year	912	330	1,242	912	330	1,242
Reversals of impairment charges for previous years	1,447	69	1,516	1,445	69	1,514
Impairment charges at 31 December 2015	3,055	972	4,027	3,048	972	4,020
Value adjustment of assets taken over						-1
2014						
Impairment charges at 1 January 2014	3,241	413	3,654	3,233	413	3,646
Impairment charges during the year	1,895	418	2,313	1,894	418	2,312
Reversals of impairment charges for previous years	1,546	120	1,666	1,546	120	1,666
Impairment charges at 31 December 2014	3,590	711	4,301	3,581	711	4,292
Value adjustment of assets taken over						3

Allowance account for individual impairment charges broken down by evidence of impairment

	Realkredit Danmark Group		Realkredit Danmark A/S	
	Credit exposure	Allowance account, individual	Credit exposure	Allowance account, individual
2015				
Rating category 10	16,181	1,239	16,181	1,232
Rating category 11	9,368	1,816	9,368	1,816
Total	25,549	3,055	25,549	3,048
2014				
Rating category 10	18,521	1,634	18,521	1,625
Rating category 11	10,134	1,956	10,134	1,956
Total	28,655	3,590	28,655	3,581

Customers in rating category 11 comprise customers submitted for debt collection, suspension of payments, debt rescheduling and 90 days arrears. Rating category 10 covers other financial difficulties.

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
20	Holdings in associates				
	Cost at 1 January	14	14	14	14
	Disposals	-	-	-	-
	Cost at 31 December	14	14	14	14
	Revaluations at 1 January	1	-	1	-
	Reversals of revaluations	3	1	3	1
	Revaluations at 31 December	4	1	4	1
	Carrying amount at 31 December	18	15	18	15
	Associates are specified on page 56				
21	Domicile property				
	Carrying amount at 1 January	90	91	140	141
	Disposals	-	-	-	-
	Depreciation charges	1	1	1	1
	Value adjustment recognised in other comprehensive income	-	-	-	-
	Transferred to assets temporarily taken over	89	-	139	-
	Carrying amount at 31 December	-	90	-	140
	Broken down by cost and depreciation and impairment charges				
	Cost at 1 January	132	132		
	Disposals	-	-		
	Transferred to assets temporarily taken over	132	-		
	Cost at 31 December	-	132		
	Depreciation and impairment charges at 1 January	42	41		
	Reversal of depreciation charges	-	-		
	Depreciation charges	1	1		
	Transferred to assets temporarily taken over	43	-		
	Depreciation and impairment charges at 31 December	-	42		
	Carrying amount at 31 December	-	90		
	Fair value of domicile property	-	140		
	The property is valued on the basis of assessments made by valuers of the Danske Bank Group. The Group measures domicile property at cost less depreciation and impairment charges. The parent company, Realkredit Danmark A/S, measures it at the estimated fair value.				
22	Other tangible assets				
	Cost at 1 January	22	21	5	5
	Additions	2	2	-	-
	Disposals	-	1	-	-
	Cost at 31 December	24	22	5	5
	Depreciation and impairment charges at 1 January	12	11	-	-
	Depreciation charges	2	2	-	-
	Depreciation and impairment charges reversed on disposals etc.	-	1	-	-
	Depreciation and impairment charges at 31 December	14	12	-	-
	Carrying amount at 31 December	10	10	5	5

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S		
		2015	2014	2015	2014	
23	Deferred tax assets and liabilities					
	Deferred tax liabilities	69	72	-	-	
	Provision for deferred tax	-	-	79	85	
	Total	69	72	79	85	
	Change in deferred tax					
	Realkredit Danmark Group	At 1 Jan.	Recognised in net profit for the year	Recognised in shareholder's equity	Other adjustments	At 31 Dec.
	2015					
	Intangible assets	-	-	-	-	-
	Tangible assets	4	-1	-	-	3
	Securities	9	-4	-	-	5
	Provisions	61	5	-4	-	62
	Tax loss carryforwards	-	-	-	-	-
	Other	-2	1	-	-	-1
	Total	72	1	-4	-	69
	Adjustment of prior-year tax charges included in total		-6			
	2014					
	Intangible assets	-	-	-	-	-
	Tangible assets	4	-	-	-	4
	Securities	3	6	-	-	9
	Provisions	13	38	10	-	61
	Tax loss carryforwards	-	-	-	-	-
	Other	-4	2	-	-	-2
	Total	16	46	10	-	72
	Adjustment of prior-year tax charges included in total		28			
	Change in deferred tax					
	Realkredit Danmark A/S	At 1 Jan.	Recognised in net profit for the year	Recognised in shareholder's equity	Other adjustments	At 31 Dec.
	2015					
	Intangible assets	-	-	-	-	-
	Tangible assets	15	-5	2	-	12
	Securities	9	-4	-	-	5
	Provisions	61	5	-4	-	62
	Tax loss carryforwards	-	-	-	-	-
	Other	-	-	-	-	-
	Total	85	-4	-2	-	79
	Adjustment of prior-year tax charges included in total		-6			
	2014					
	Intangible assets	-	-	-	-	-
	Tangible assets	15	-	-	-	15
	Securities	3	6	-	-	9
	Provisions	13	38	10	-	61
	Tax loss carryforwards	-	-	-	-	-
	Other	-	-	-	-	-
	Total	31	44	10	-	85
	Adjustment of prior-year tax charges included in total		28			

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
24	Assets temporarily taken over				
	Foreclosures	76	106	76	106
	Transferred from domicile properties	89	-	139	-
	Disposal of domicile properties	43	-	54	-
	Total	122	106	161	106
	Assets temporarily taken over consist of properties taken over in a forced sale under non-performing loan agreements. The properties are expected to be sold through a real-estate agent within one year from the takeover date). These properties are recognised at the lower of cost and fair value less the estimated costs of selling the property. The effect on profit or loss amounted to DKK 24 million. (2014: DKK 13 million). In the fourth quarter of 2015, domicile properties were put up for sale and in that connection transferred to Assets temporarily taken over.				
25	Other assets				
	Interest due	790	1,028	790	1,028
	Pension assets	341	352	341	352
	Other assets	1,612	1,700	1,562	1,650
	Total	2,743	3,080	2,693	3,030
26	Due to credit institutions and central banks				
	On demand	-	-	-	-
	3 months or less	13,582	10,018	13,582	10,018
	3-12 months	3,029	-	3,029	-
	1-5 years	-	-	-	-
	Total	16,611	10,018	16,611	10,018
	At fair value	16,579	9,986	16,579	9,986
	Portion attributable to repo transactions	16,611	10,018	16,611	10,018
27	Issued mortgage bonds at fair value				
	Issued mortgage bonds, nominal value*	841,264	852,614	841,264	852,614
	Fair value adjustment	10,140	25,274	10,140	25,274
	Issued mortgage bonds at fair value, before set-off	851,404	877,888	851,404	877,888
	Set-off of own mortgage bonds at fair value	106,181	138,530	106,181	138,530
	Issued mortgage bonds at fair value	745,223	739,358	745,223	739,358
	0-1 month	41,009	63,996	41,009	63,996
	1-3 months	-	-	-	-
	3-12 months	112,969	115,951	112,969	115,951
	1-5 years	355,314	336,372	355,314	336,372
	5-10 years	67,489	67,732	67,489	67,732
	Over 10 years	168,442	155,307	168,442	155,307
	Total	745,223	739,358	745,223	739,358
	* Portion pre-issued	68,190	73,421	68,190	73,421
	* Portion drawn at 4 January 2016, or in 2015	96,291	121,130	96,291	121,130

Fair value adjustment for the credit risk on issued mortgage bonds is calculated on the basis of the option-adjusted spread (OAS). The calculation incorporates maturity, nominal holdings and OAS sensitivity. As a number of estimates are made, the calculation is subject to uncertainty. Consequently, the yield spread on Danish mortgage bonds widened in 2015. The widening caused a decrease in the fair value of issued mortgage bonds of DKK 4 billion. In 2014, on the other hand, a contraction resulted in an increase in the fair value. Based on the outstanding portfolio at the end of 2015, Realkredit Danmark estimates that there has been a net widening of the spread since the issuance of the bonds, which produces a fair value of DKK 5 billion (2014: negative fair value of DKK 5 billion). The net profit and shareholders' equity remain unaffected by the change in fair value because the spread widening reduced the value of mortgage loans correspondingly.

Fair value adjustment for the credit risk on issued mortgage bonds may also be calculated on the basis of changes in similar AAA-rated mortgage bonds offered by other Danish issuers. The market for such bonds is characterised by an absence of measurable price differences between bonds with similar features from different issuers. Using this method, no fair value adjustment for credit risk in 2015 or the period since the issue has been required.

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
28	Issued bonds at amortised cost				
	Nominal value of issued bonds	17,622	27,275	17,622	27,275
	Fair value hedging of interest rate risk	85	115	85	115
	Premium/discount	14	25	14	25
	Total issued bonds	17,721	27,415	17,721	27,415
	 Fair value of issued bonds at amortised cost	 17,811	 27,744	 17,811	 27,744
	0-1 month	-	-	-	-
	1-3 months	-	-	-	-
	3-12 months	-	5,182	-	5,182
	1-5 years	17,811	22,562	17,811	22,562
	5-10 years	-	-	-	-
	Over 10 years	-	-	-	-
	Total	17,811	27,744	17,811	27,744
	 Nominal value	 1 Jan. 2015	 Issued	 Redeemed	 31 Dec. 2015
	Total issued bonds	27,275	-	9,653	17,622
	Issued bonds at amortised cost consist of issued senior debt.				
29	Other liabilities				
	Interest accrued	7,847	9,232	7,847	9,232
	Reserves in early series subject to a reimbursement obligation*	49	62	-	-
	Other creditors	283	527	262	512
	Total	8,179	9,821	8,109	9,744
	* Recognised in the balance sheet of the parent company, Realkredit Danmark A/S, under "Provisions".				
30	Reserves in early series subject to a reimbursement obligation*				
	Carrying amount, beginning of year	62	77	62	77
	Utilised	-16	-18	-16	-18
	Increase due to shortening of maturity	2	-	2	-
	Increase due to change in discount rate	1	3	1	3
	Carrying amount, end of year	49	62	49	62
	* Recognised in the balance sheet of the Realkredit Danmark Group under "Other liabilities".				

Reserves in early series subject to a reimbursement obligation relate to mortgage loan agreements under which the borrower's share of the series reserve fund is disbursed to the borrower on repayment of the loan in accordance with the terms and conditions applying to the series. Until 2031, the Group's obligations will gradually be reduced in step with individual borrower repayments. Factors that affect the repayment pattern include changes in interest rates, cash flows, etc.

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014
31	Risk exposure amount (REA)				
	Credit risk (IRB approach)	100,128	112,576	100,041	112,494
	Credit risk (standardised approach)	7,517	7,612	7,646	7,741
	Counterparty risk	192	378	192	378
	Total credit risk	107,837	120,566	107,879	120,613
	Market risk	-	509	-	509
	Operational risk	10,255	10,800	10,059	10,590
	Total	118,092	131,875	117,938	131,712

The total capital and tier 1 capital ratios are calculated in accordance with the CRR/CRD IV. The total risk exposure amount calculated under the Basel I rules amounted to DKK 409,344 million at the end of 2015 (2014: DKK 410,093 million). The solvency need, calculated on the basis of the transitional rules, was DKK 26,198 million in 2015, equal to 80% of the capital requirement of 8% of the total risk exposure amount (2014: DKK 26,246 million). rd.dk provides more details about Realkredit Danmark's solvency need. The solvency need calculation is not covered by the statutory audit.

32 Assets deposited and received as collateral

Realkredit Danmark deposits securities as collateral in connection with repo and securities transactions undertaken on usual terms and conditions for such agreements.

In connection with clearing, Realkredit Danmark has deposited the following securities with the Danish Central Bank

Bonds at fair value	9,410	13,451	9,410	13,451
Portion issued by Realkredit Danmark	4,722	8,639	4,722	8,639
Assets sold under repo transactions				
Bonds at fair value	16,567	9,986	16,567	9,986
Portion issued by Realkredit Danmark	1,507	3,254	1,507	3,254

At 31 December 2015, mortgage lending totalling DKK 744,383 million and other assets totalling DKK 33,859 million were registered as security for issued mortgage bonds, including mortgage-covered bonds, and issued bonds at amortised cost (2014: DKK 744,502 million and DKK 41,050 million).

Pursuant to Danish mortgage credit legislation, issued mortgage bonds, including mortgage-covered bonds, are secured against the underlying mortgage loans.

Notes

Note	(DKK millions)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2015	2014	2015	2014

33 Contingent liabilities

Owing to its size and business volume, the Realkredit Danmark Group is continually a party to various disputes. The Group does not expect the outcomes of the disputes pending to have any material effect on its financial position.

As the sponsoring employer, Realkredit Danmark is liable for the pension obligations of Kreditforeningen Danmarks Pensionsafviklingskasse. The pension fund and the Group's defined benefit plan have not accepted new members since 1971.

In connection with implementation of the EU Bank Recovery and Resolution Directive, a Danish resolution fund has been established. The resolution fund must amount to 1% of the covered deposits of all Danish credit institutions by 31 December 2024. The first contribution to the fund was made at 31 December 2015. The individual institution must make contributions to the fund on the basis of its size and risk relative to other credit institutions in Denmark. The intention is that losses should be covered by the annual contributions made by the participating credit institutions. If sufficient means are not available in the resolution fund, extraordinary contributions can be required of up to three times the latest annual contribution.

The company is registered jointly with all major Danish subsidiaries of the Danske Bank Group for financial services employer tax and VAT, for which it is jointly and severally liable.

The company is jointly taxed with all Danish companies in the Danske Bank Group and are jointly and severally liable for their Danish income tax, withholding tax, etc.

Guarantees and indemnities issued by the Group, irrevocable loan commitments regarding reverse mortgages and other commitments not recognised in the balance sheet are set out in the table below.

	Realkredit Danmark Group		Realkredit Danmark A/S	
	2015	2014	2015	2014
Other contingent liabilities				
Irrevocable loan commitments regarding reverse mortgages	22	56	22	56
Other commitments	91	108	67	85
Total	113	164	89	141

In addition to credit exposure from lending activities, loan offers made by the Group in 2015 amounted to DKK 24,088 million (2014: DKK 21,256 million). These items are included in the calculation of the total risk exposure amount in accordance with the CRR/CRD IV.

Notes

Note	(DKK millions)
34	<p>Related party transactions</p> <p>Transactions between related parties are concluded and settled on an arm's length or on a cost-reimbursement basis. No unusual transactions were made with associates and group undertakings in 2015.</p>

Realkredit Danmark A/S made the below-mentioned major intra-group transactions with companies directly or indirectly associated with the Group/company.

	Realkredit Danmark Group		Realkredit Danmark A/S	
	2015	2014	2015	2014
Fees, etc. paid to Danske Bank A/S for the arranging and guaranteeing of mortgage loans	1,126	961	1,126	961
Fees received from Danske Bank A/S for referral of customers and for property valuation	89	96	89	96
Fees paid to Danske Bank A/S for managing Realkredit Danmark's IT operations and development, portfolio management and finance functions, etc.	235	254	216	232
Interest received by Realkredit Danmark A/S on outstanding accounts with Danske Bank A/S	6	7	6	7
Interest received on mortgage loans raised by sister company	16	22	16	22
Interest paid by Realkredit Danmark A/S on outstanding accounts with Danske Bank A/S	6	7	6	7
Amounts due from Danske Bank A/S	20,469	24,349	20,414	24,305
Mortgage lending to sister company	2,169	2,243	2,169	2,243
Loss guarantees from Danske Bank A/S	58,490	53,854	58,490	53,854
Other guarantees from Danske Bank A/S	35,675	47,856	35,675	47,856
Amounts due to Danske Bank A/S	16,611	8,769	16,611	8,769

Any amounts due to related parties in the form of issued bonds have not been included in the above outstanding accounts as such bonds are bearer securities. In these cases, the Group does not know the identity of the creditors.

Kreditforeningen Danmarks Pensionsafviklingskasse, which has been set up for the purpose of paying out pension benefits to employees of the Realkredit Danmark Group, is also considered a related party. Realkredit Danmark Group has entered into transactions with this fund. Such transactions are not eliminated in the consolidated financial statements. Transactions with the pension fund comprised issued mortgage bonds of DKK 154 million (2014: DKK 220 million), interest expenses of DKK 3 million (2014: DKK 11 million), and pension contributions and deposits of DKK 0 million (2014: DKK 31 million).

35	<p>Loans etc. to management</p> <p>Mortgage loans established on an arm's length basis for</p>																									
	<table border="1"> <thead> <tr> <th></th> <th>2015</th> <th>2014</th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Board of Directors</td> <td>12</td> <td>15</td> <td>12</td> <td>15</td> </tr> <tr> <td>Executive Board</td> <td>1</td> <td>1</td> <td>1</td> <td>1</td> </tr> <tr> <td>Board of Directors and Executive Board of Danske Bank A/S</td> <td>12</td> <td>15</td> <td>12</td> <td>15</td> </tr> <tr> <td>Average interest rate</td> <td>1.3%</td> <td>1.6%</td> <td>1.3%</td> <td>1.6%</td> </tr> </tbody> </table>		2015	2014	2015	2014	Board of Directors	12	15	12	15	Executive Board	1	1	1	1	Board of Directors and Executive Board of Danske Bank A/S	12	15	12	15	Average interest rate	1.3%	1.6%	1.3%	1.6%
	2015	2014	2015	2014																						
Board of Directors	12	15	12	15																						
Executive Board	1	1	1	1																						
Board of Directors and Executive Board of Danske Bank A/S	12	15	12	15																						
Average interest rate	1.3%	1.6%	1.3%	1.6%																						

Notes

Note	(DKK millions)	Realkredit Danmark Group			
36	Financial instruments at fair value				
	2015	Quoted prices	Observable input	Non-observable input	Total
	Bonds at fair value	30,210	-	-	30,210
	Mortgage loans at fair value	-	744,383	-	744,383
	Shares	-	-	2	2
	Derivatives	-	328	-	328
	Total	30,210	744,711	2	774,923
	Issued mortgage bonds at fair value	745,223	-	-	745,223
	Derivatives	-	41	-	41
	Total	745,223	41	-	745,264
	2014				
	Bonds at fair value	29,292	-	-	29,292
	Mortgage loans at fair value	-	744,502	-	744,502
	Shares	-	-	2	2
	Derivatives	-	451	-	451
	Total	29,292	744,953	2	774,247
	Issued mortgage bonds at fair value	739,358	-	-	739,358
	Derivatives	-	20	-	20
	Total	739,358	20	-	739,378

Negative interest income and interest expenses due to negative interest rates were insignificant during 2015. The amounts are off-set against interest income and interest expenses, respectively.

Fair value is the amount at which a financial asset can be traded between knowledgeable, willing parties. If an active market exists, Realkredit Danmark uses the quoted price.

Mortgage loans and issued mortgage bonds are recognised at the fair value of the issued mortgage bonds. In accordance with the accounting policies, the fair value of the credit risk on the mortgage loans is adjusted.

Valuation techniques are generally used for OTC derivatives and unlisted shares. The most frequently used valuation models include pricing of businesses with future settlement and swap models using present value calculations. The valuation is based substantially on observable input.

Notes

Note	(DKK millions)
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37	Fair value hedging	Realkredit Danmark A/S			
		2015		2014	
		Carrying amount	Amortised/notional amount	Carrying amount	Amortised/notional amount
	Issued mortgage bonds at amortised cost	6,599	6,495	9,644	9,495
	Hedging Derivatives	208	6,495	234	9,495

The fair value of issued mortgage bonds at amortised cost was DKK 6,580 million at end-2015 (2014: DKK 9,603 million).

Realkredit Danmark hedges the interest rate risk on the fixed-rate issued mortgage bonds etc. using interest rate swaps. The effect on profit or loss of fair value hedge accounting was DKK 0 million, net, in 2015 (2014: DKK 5 million), consisting of a gain on the hedged instrument of DKK 30 million (2014: a loss of DKK 65 million) and a loss on the hedging derivative of DKK 30 million (2014: a gain of DKK 70 million). The net effect is recognised in the income statement.

38 Reporting to the Danish FSA

The financial statements of the parent company, Realkredit Danmark A/S, have been prepared in accordance with the Danish Financial Business Act and the Danish FSA's executive order no. 281 dated 26 March 2014 on Financial Reports of Credit Institutions and Investment Companies, etc.

The rules are consistent with the Group's measurement principles under IFRS with the exception that

- Domicile properties are valued at estimated fair value (revalued amount) through other comprehensive income

The estimated fair value of domicile properties is determined in accordance with the Danish FSA's executive order on Financial Reports for Credit Institutions and Investment Companies, etc. Available-for-sale financial assets are measured at fair value through profit or loss.

The format of the parent company's financial statements is not identical to the format of the consolidated financial statements prepared in accordance with IFRSs.

The table below shows the differences in net profit and shareholders' equity between the IFRS consolidated financial statements and the parent company's financial statements presented in accordance with Danish FSA rules.

	Net profit 2015	Net profit 2014	Shareholders' equity 31 Dec. 2015	Shareholders' equity 31 Dec. 2014
Consolidated financial statements (IFRS)	3,890	3,056	48,746	47,871
Domicile property	-12	-	40	50
Tax effect	4	-	-9	-12
Consolidated financial statements (Danish FSA rules)	3,882	3,056	48,777	47,909

Notes

Note

RISK MANAGEMENT

The principal risk incurred by Realkredit Danmark is credit risk on mortgage loans. Realkredit Danmark has only limited exposure to market risk.

Total capital

The purpose of capital management is to ensure efficient use of capital in relation to risk tolerance and business development. The Group must have sufficient capital to comply with regulatory capital requirements, and the Group has also defined a goal of maintaining bond ratings from external rating agencies that are on a level with those of its peers.

The Group met this goal in 2015 by maintaining a total capital ratio of 38.8, well above the regulatory requirement of 22.2, and AAA ratings from Standard & Poor's and AAA/AA+ ratings from Fitch Ratings. The capital requirement has been covered by tier 1 capital and also by proceeds from the issuance of senior debt as described in Funding.

Credit risk

Realkredit Danmark serves mortgage credit customers in Denmark, Sweden and Norway. Realkredit Danmark serves all customer segments in Denmark, while the strategy in Sweden and Norway is to serve large business customers. Realkredit Danmark's principal segment is loans to the Personal customer market, which accounts for 57% of lending.

Residential accounts for 20%, Urban trade for 17% and Agriculture for the remaining 6%. The current composition of the exposure matches Realkredit Danmark's target that personal property loans should account for at least two-thirds of the total exposure.

In 2015, Realkredit Danmark continued its prudent credit-granting process, accommodating the Group's existing and new creditworthy customers. Continuing this prudent credit-granting process will remain the objective in 2016. When granting credit, the Group requires the customer to be able to service a fixed-rate loan even if it has granted an interest-reset loan (FlexLån®) and irrespective of whether or not the customer pays instalments on the loan.

The credit risk on a mortgage loan basically derives from two factors; the risk that the borrower is unable to repay the loan and the expected loss if the customer is unable to repay the loan, which largely depends on the value of the property. These two factors are commonly designated by the abbreviations "PD" (Probability of Default) and "LGD" (Loss Given Default). The higher the PD and LGD, the higher risk a loan involves. The value of the property is automatically determined in a property valuation model. This property valuation model is regularly monitored and is subjected to annual validation.

The credit process widely builds on the two above-mentioned components and the size of the loan. Most often, the Group performs a decentralised assessment of whether a customer has the ability and the willingness to repay his loan. However, the Group handles the largest customers at a central corporate centre, which has the expertise to serve this customer segment.

When the Group assesses that there is a high credit risk, the credit granting process will be assigned to the central credit

department.

A high credit risk may arise for less financially strong customers (high PD), but it may also be due to expectations of a high LGD if the credit involves a property type that is difficult to sell and which may lose much of its value if it has to be sold in a forced sale.

Very large loans must be granted by Realkredit Danmark's Executive Board or Board of Directors.

Realkredit Danmark applies customer classification models as a key tool in deciding when to grant the loan.

Depending on the customer's loan facility and customer type, customers are classified using rating models or statistical scoring models. The rating models typically rely on the customer's financial statements, industry information and an assessment of the company's situation in terms of management and competition. The rating is assessed in the central credit department by a rating specialist and a credit officer, before it is fixed. The customer's rating is translated into a PD.

The statistical scoring models rely on factors such as relevant sector information and payment records. The calculated PD is translated into a rating category.

The customer classification models break down customers into 11 rating categories, with category 1 being the most creditworthy.

Portfolio broken down by customer type and rating category (DKK billions)

Rating category	Personal	Business	2015 Total	2014 Total
1	-	1	1	1
2	9	2	11	11
3	67	65	132	120
4	124	53	177	174
5	107	61	168	168
6	56	56	112	110
7	38	45	83	96
8	9	22	31	31
9	2	5	7	8
10	2	14	16	19
11	2	8	10	10
Total	416	332	748	748

Probability of Default (PD) %

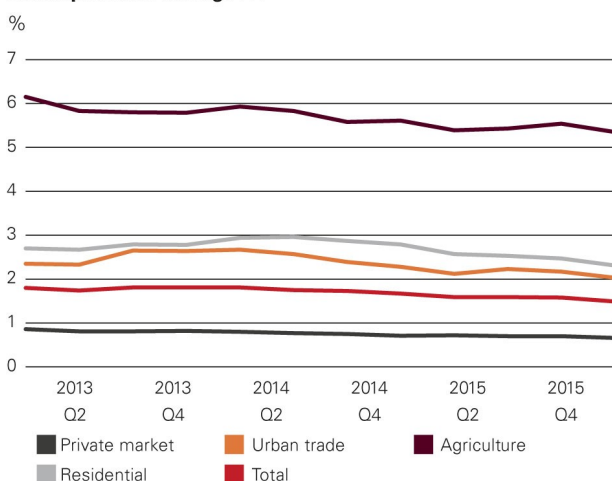
Rating category	Low PD	High PD
1	0.00	0.01
2	0.01	0.03
3	0.03	0.06
4	0.06	0.14
5	0.14	0.31
6	0.31	0.63
7	0.63	1.90
8	1.90	7.98
9	7.98	25.70
10	25.70	100.00
11	100.00	100.00

Notes

Note

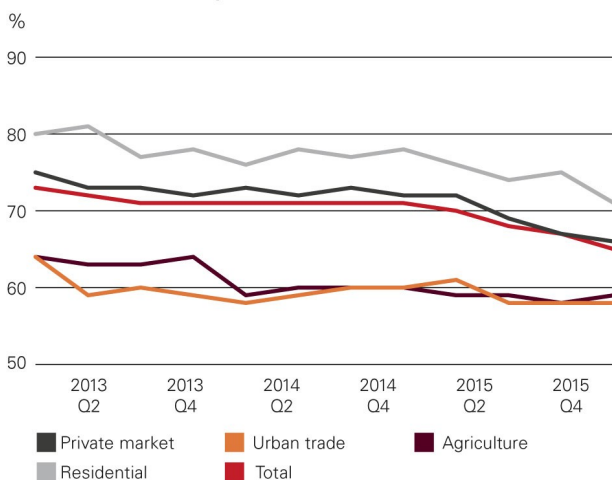
Over the past year, Realkredit Danmark has witnessed a positive migration in customer classifications, which is reflected in a larger proportion of the loan portfolio being loans to customers in the good rating categories compared with 2014. The total average PD has fallen for all sectors in the loan portfolio compared with the level a year ago.

Development in average PD



Property prices rose in 2015, especially in the Copenhagen area and in Denmark's second-largest city, Aarhus. This trend in property prices has led to a fall in average loan-to-value (LTV) ratios for the Personal Market and Residential rental categories. For the entire loan portfolio, the LTV ratio dropped from 71% in 2014 to 65% in 2015.

Development in average LTV



The loan portfolio remained very secure. 87% of the portfolio was secured within 60% of the value of the property, and 96% was secured within 80% of the value.

Loan portfolio broken down by loan-to-value ratios at 31 Dec. 2015

Sector, %	0-20	20-40	40-60	60-80	>80	Total DKK billions
Personal market	148	128	92	45	14	427
Urban trade	48	40	26	7	4	125
Agriculture	19	16	10	3	1	49
Residential	59	39	26	14	9	147
Weighted distribution	36%	30%	21%	9%	4%	100%
Total DKK billions	274	223	154	69	28	748

Loan portfolio broken down by loan-to-value ratios at 31 Dec. 2014

Sector, %	0-20	20-40	40-60	60-80	>80	Total DKK billions
Personal market	138	121	93	54	24	430
Urban trade	46	37	27	9	5	124
Agriculture	18	15	10	4	1	48
Residential	54	37	26	15	14	146
Weighted distribution	34%	28%	21%	11%	6%	100%
Total DKK billions	256	210	156	82	44	748

As shown in the figure, DKK 6 billion were loans with an LTV ratio higher than 80% granted to customers in one of the four lowest categories. This equals 0.80% of the total portfolio.

Portfolio broken down by loan to value and rating category 2015

Rating category	Loan to Value					Total DKK billions
	0-20%	20-40%	40-60%	60-80%	80-100%	
1	-	-	-	-	-	-
2	6	3	2	-	-	11
3	56	38	22	10	6	132
4	69	54	35	14	4	176
5	58	51	38	16	6	169
6	39	34	24	11	4	112
7	28	25	19	9	3	84
8	10	9	7	4	1	31
9	2	2	2	1	1	8
10	4	4	4	2	2	16
11	2	2	2	1	2	9
Total	274	222	155	68	29	748

Notes

Note

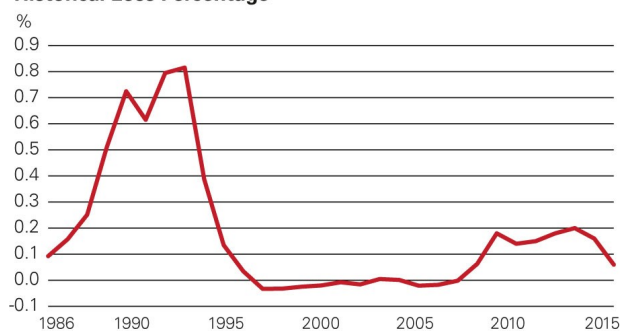
Portfolio broken down by loan to value and rating category 2014

Rating category	Loan to Value					Total DKK billions
	0-20%	20-40%	40-60%	60-80%	80-100%	
1	1	-	-	-	-	1
2	5	3	2	-	1	11
3	48	33	21	10	8	120
4	64	50	35	17	8	174
5	55	48	37	20	8	168
6	36	31	24	13	6	110
7	29	28	22	12	5	96
8	9	9	7	4	2	31
9	2	2	2	1	1	8
10	5	4	4	3	3	19
11	2	2	2	2	2	10
Total	256	210	156	82	44	748

Impairments for 2015 amounted to DKK 432 million, corresponding to 0.06% of total mortgage lending. This is a decline relative to 2014, when the charges amounted to DKK 1,171 million. Total impairments declined as a result of a general improvement of macroeconomic conditions in Denmark. Furthermore, impairments in 2014 were affected by provisions in connection with a tightened requirement from the Danish FSA concerning impairment of loans to customers, whose repayment ability is based on the cash flow from the mortgaged asset.

Loan impairment charges are expected to remain at the same level in 2016 as in 2015.

Historical Loss Percentage

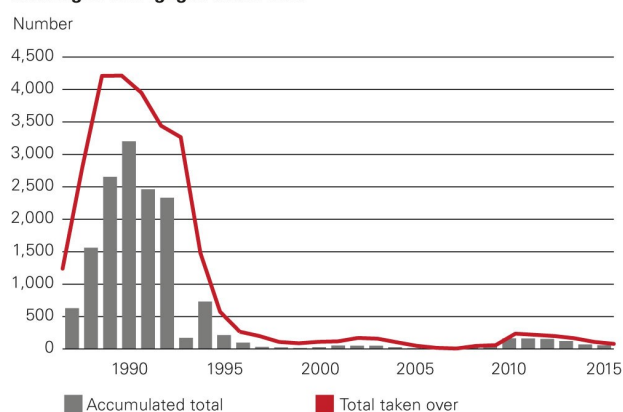


The number of properties taken over by Realkredit Danmark at a forced sale continued the positive trends of the preceding years. Realkredit Danmark took over 108 properties in 2014, but the number dropped to 78 in 2015.

At the end of 2015, the portfolio of foreclosed properties comprised 58 properties, against 70 at the end of 2014.

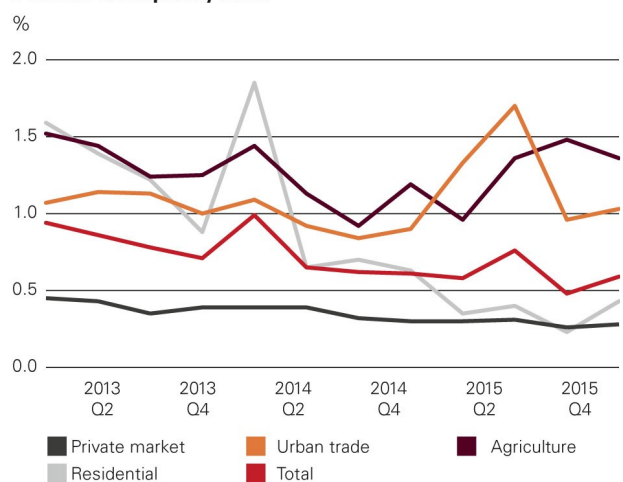
In a historical context, the number of properties taken over in 2015 was much lower than during the crisis of the early 1990s, when more than 4,000 properties were taken over in the worst year

Holding of mortgages taken over



Realkredit Danmark is to a certain extent covered against losses, as Danske Bank provides a loss guarantee for loans arranged via the bank. The guarantee covers the part of the loan which at the date of disbursement is within the last 20% of the statutory lending limits. Total lending of DKK 295 billion was partly covered by this loss guarantee at the end of 2015. The total guarantee in 2015 amounted to DKK 58 billion.

3-month delinquency rates



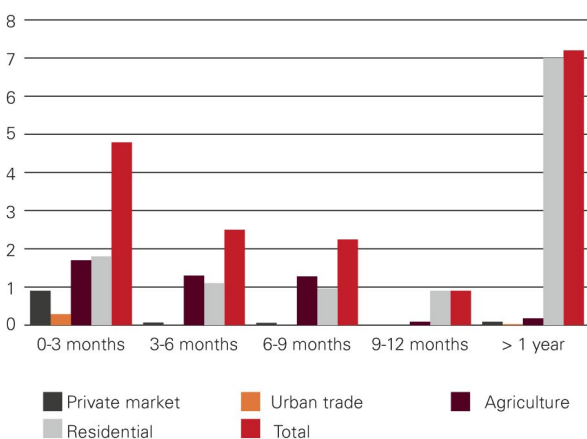
The delinquency rate, calculated as the proportion of due payments remaining unpaid 3 months after the last due payment date, declined marginally in 2015. The decline occurred in all the property segments except for Urban trade, in which the delinquency rate rose.

Notes

Note

Arrears at 31 Dec. 2015 – loans without impairment charges

(DKK millions)



All impaired loans are classified in rating categories 10 and 11. Rating categories 1-9 thus comprise the part of the loan portfolio that does not include impaired loans.

The chart shows arrears on loans without impairment charges at 31 December 2015. Total arrears on loans without impairment charges amounted to DKK 17 million at the end of 2015. Of total arrears on loans without charges, 27% are less than three months old.

Forbearance practices

Under certain circumstances, Realkredit Danmark will grant concessions in borrowing terms to customers in financial difficulty, for example if a personal customer becomes unemployed or a business customer experiences a substantial drop in revenue. Concessions are granted mainly if the financial difficulties are considered to be temporary, but may also be granted if a restructuring is considered necessary to limit Realkredit Danmark's losses on an exposure.

Forbearance measures include the granting of respite for a short period of time. The customer will be downgraded to a lower rating category. The exposure is then written down to the amount that the customer is estimated to be able to service in the future. Once a customer has proven able to service the exposure, it will, after a certain period, no longer be considered subject to objective evidence of impairment, and the customer will move to a better rating category.

At 31 December 2015, the total exposure to loans with forbearance terms amounted to DKK 2.3 billion.

Arrears	Loan portfolio DKK millions		Loan to value %		Arrears Sept. paym. in %	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Private market	426,850	430,252	66	72	0.28	0.30
Urban trade	125,667	123,719	58	60	1.03	0.90
Agriculture	48,317	48,455	59	60	1.36	1.19
Residential rental property	147,375	146,074	71	78	0.43	0.63
Total	748,209	748,500	65	71	0.59	0.61

Non-performing loans

The Group defines non-performing loans as facilities with objective evidence of impairment for which individual impairment charges have been booked. For non-retail exposures with non-performing loans, the entire amount of the customer's exposure is considered to be non-performing.

For retail exposures, only impaired facilities are included in non-performing loans.

At the end of 2015, the total exposure to non-performing loans amounted to DKK 19.1 billion. This is a decline compared with the end of 2014, when non-performing loans amounted to DKK 24.4 billion.

Single-name concentration

The exposure to a single customer or a group of related customers, after deduction of particularly secure claims, may not exceed 25% of the capital base. In 2015, the Group's exposures did not exceed these limits.

Credit exposure to groups representing 10% or more of the capital base amounted to DKK 10,054 million at 31 December 2015 (2014: DKK 10,316 million). At the end of 2015, 0 exposures exceeded 20% of the capital base, while 2 exposures exceeded 10%. Intra-group accounts are not included in the calculation.

Notes

Note

Market risk

Market risk is the risk of losses because of changes in market prices and interest rates. Realkredit Danmark's Board of Directors defines the overall framework for interest rate, equity market and exchange rate risks in accordance with the limits laid down in the Danish Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act. Realkredit Danmark calculates, monitors and reports on these risks on a regular basis, and the Group pursues a policy of only having limited market risk exposure. By complying with the statutory principle of balance, Realkredit Danmark eliminates interest rate, exchange rate and liquidity risks on most of its assets and liabilities.

Interest rate risk

The interest rate risk expresses the expected loss on fixed-income positions from a general increase in interest rates of 1 percentage point.

In accordance with Danish law, the difference between interest payments and instalments received on mortgage loans and payments made on issued bonds may not result in an interest rate risk exceeding 1% of Realkredit Danmark's capital base, that is, DKK 458 million. At the end of 2015, this interest rate risk amounted to DKK 19 million.

The interest rate risk on other assets and liabilities and on off-balance-sheet items, including in particular the proprietary investment portfolio, may not exceed 8% of the capital base, or DKK 3,662 million, in accordance with Danish law. At the end of 2015, the interest rate risk on these items amounted to DKK 1,069 million, against DKK 1,048 million the year before.

At the end of 2015, the total interest rate risk amounted to DKK 1,088 million, or 2.4% of the capital base. The year before, Realkredit Danmark's interest rate risk was DKK 1,071 million.

Liquidity risk

Realkredit Danmark regularly finances its lending activities by issuing bonds, which involves very limited liquidity risk.

Denmark has had a well-functioning bond market, also during the past three years.

Equity market risk

The equity market risk is calculated as the market value of the Realkredit Danmark Group's equity portfolios and holdings in subsidiary and group undertakings etc. The Group intends exclusively to maintain strategic share portfolios and has therefore defined very low exposure thresholds with respect to overall equity market risk. At end-2015, the market value and hence the equity market risk amounted to DKK 149 million, against DKK 144 million the year before. Nearly all the risk relates to the Group's ownership of home a/s.

Exchange rate risk

Realkredit Danmark has only very small unhedged currency positions. The exchange rate risk is calculated in accordance with exchange rate indicator 2 of the Danish FSA and may, in accordance with legislation, not exceed 0.1% of the capital base, that is DKK 46 million. At the end of 2015, the exchange rate risk amounted to DKK 1 million, against DKK 2 million the year before.

Derivatives

The Group does not employ derivatives for hedging purposes in relation to mortgage finance business but exclusively to hedge the interest rate risk on fixed-rate liabilities from issued senior debt and are carried at fair value in the financial statements. The market risk on these instruments is included in the risk calculations mentioned above.

Pension risk

The Group's pension risk is the risk of a pension shortfall in the Group's defined benefit plans, which means that it will have to make additional contributions to cover its pension obligations to current and former employees. The Group aims to reduce the pension risk of the defined benefit pension plans in the same way that it handles other risks in the Group. To achieve this goal, the Group matches pension obligations with assets similar mainly in terms of maturity and volatility.

Derivatives (DKK millions)	31 Dec. 2015			31 Dec. 2014		
	Nominal value	Positive market value	Negative market value	Nominal value	Positive market value	Negative market value
Interest rate contracts						
Forward/futures bought	68,893	78	-	73,886	180	-
Forward/futures sold	38,078	28	28	46,032	36	19
Currency contracts						
Forward/futures bought	537	-	-	-	-	-
Forward/futures sold	6	-	-	6	-	-
Interest rate and currency contracts held for trading purposes, total		106	28		216	19
Outstanding spot transactions						
Interest rate contracts bought	804	2	-	1,066	1	-
Interest rate contracts sold	1,377	12	13	570	-	1
Total outstanding spot transactions		14	13		1	1
Hedging derivatives	6,495	208	-	9,495	234	-

All derivatives have a maturity of less than one year.

The calculation applies to the Realkredit Danmark Group and Realkredit Danmark A/S.

Notes

Note

	Realkredit Danmark Group				
(DKK millions)	2015	2014	2013	2012	2011
HIGHLIGHTS					
Net interest and fee income	6,557	6,468	6,741	6,082	4,261
Value adjustments	-441	-583	-1,067	-732	125
Staff costs and administrative expenses	784	811	848	866	928
Loan impairment charges	432	1,171	1,471	1,319	1,057
Income from associates	3	2	3	2	-
Net profit for the year	3,890	3,056	2,612	2,454	1,874
Loans	745,166	745,421	731,874	736,340	724,592
Shareholders' equity	48,746	47,871	46,884	46,352	44,757
Total assets	836,574	834,555	848,134	794,127	776,560
RATIOS AND KEY FIGURES					
Total capital ratio (%)	38.8	34.5	34.0	34.3	35.8
Tier 1 capital ratio (%)	38.3	34.0	33.5	33.7	35.4
Return on equity before tax (%)	10.5	8.5	7.5	7.2	5.7
Return on equity after tax (%)	8.1	6.5	5.6	5.4	4.3
Cost/core income ratio DKK	5.18	3.03	2.50	2.50	2.26
Foreign exchange position (%)	0.5	1.1	0.5	0.3	0.7
Gearing of loans	15.3	15.6	15.6	15.9	16.2
Growth in lending for the year (%)	1.9	0.8	0.5	1.1	0.6
Impairment ratio for the year (%)	0.1	0.2	0.2	0.2	0.1
Return on assets (%)	0.5	0.4	0.3	0.3	0.2
Realkredit Danmark A/S					
HIGHLIGHTS					
Net interest and fee income	6,555	6,466	6,738	6,080	4,258
Value adjustments	-440	-583	-1,067	-732	125
Staff costs and administrative expenses	678	706	742	767	761
Loan impairment charges	432	1,170	1,469	1,317	1,055
Income from associates and group undertakings	28	17	12	7	1
Net profit for the year	3,882	3,056	2,612	2,454	1,923
Loans	745,132	745,385	731,836	736,291	724,541
Shareholders' equity	48,777	47,909	46,922	46,385	44,672
Total assets	836,593	834,591	848,176	794,163	776,446
RATIOS AND KEY FIGURES					
Total capital ratio (%)	38.8	34.6	34.0	34.3	35.8
Tier 1 capital ratio (%)	38.3	34.1	33.5	33.7	35.4
Return on equity before tax (%)	10.5	8.5	7.4	7.2	5.9
Return on equity after tax (%)	8.0	6.4	5.6	5.4	4.4
Cost/core income ratio DKK	5.56	3.14	2.57	2.57	2.41
Foreign exchange position (%)	0.5	1.1	0.5	0.3	0.7
Gearing of loans	15.3	15.6	15.6	15.9	16.2
Growth in lending for the year (%)	1.9	0.8	0.5	1.1	0.6
Impairment ratio for the year (%)	0.1	0.2	0.2	0.2	0.1
Return on assets (%)	0.5	0.4	0.3	0.3	0.2

The ratios and key figures are defined in the Danish FSA's executive order on financial reports of credit institutions, investment companies, etc.

Notes

Note

	Share capital (thousands)	Net profit (DKK mil- lions)	Shareholders' equity (DKK mil- lions)	Holding of share capital (%)
Group holdings and undertakings				
Realkredit Danmark A/S, Copenhagen	DKK 630,000	3,882	48,777	
Subsidiaries				
Real-estate agency business				
home a/s, Aarhus	DKK 15,000	25	129	100
Associates				
Property information				
e-nettet Holding A/S, Copenhagen (financial year 1 January - 31 December)	DKK 11,000	4	71	21
Further information on e-nettet Holding A/S: Total assets DKK 161 million Total liabilities DKK 90 million Total income DKK 137 million				

The information published is extracted from the most recent annual report of the companies.

Notes – Series accounts

Pursuant to the executive order on the presentation of series accounts by mortgage credit institutions, Realkredit Danmark A/S' financial statements are broken down by the individual underlying mortgage credit associations as follows:

Note	(DKK millions)	Jydsk Grundejer- Kredit- forening	Ny jydsk Kjøbstad- Credit- forening	Østifternes Kredit- forening	Series not subject to a reimburse- obligation
Income statement					
	Income from lending	0.3	0.5	1.3	32.4
1	Net interest income etc.	0.3	0.3	0.7	17.1
1	Administrative expenses etc.	2.2	2.7	5.8	22.9
	Loan impairment charges	-	-	-	-11.6
	Tax	-0.4	-0.5	-0.9	9.3
2	Net profit for the year	-1.2	-1.4	-2.9	28.9
Balance sheet - assets					
	Mortgage loans etc.	59.8	87.2	353.5	15,494.2
	Other assets	18.9	30.6	185.2	2,881.9
	Total assets	78.7	117.8	538.7	18,376.1
Balance sheet - liabilities and equity					
3	Issued bonds	66.0	102.2	408.7	16,194.7
	Other liabilities	1.5	2.2	9.9	338.5
4	Shareholders' equity	11.2	13.4	120.1	1,842.9
5	Total liabilities and equity	78.7	117.8	538.7	18,376.1

	(DKK millions)	Danske Kredit	Mortgage- bonds S	Mortgage- bonds T	Other reserves	Total
Income statement						
	Income from lending	1.4	1,526.1	3,891.3	405.3	5,858.6
1	Net interest income etc.	0.5	409.9	462.3	141.8	1,032.9
1	Administrative expenses etc.	2.7	430.0	771.4	167.6	1,405.3
	Loan impairment charges	0.8	35.7	243.2	163.4	431.5
	Tax	-0.4	362.3	818.9	-0.2	1,188.1
2	Net profit for the year	-1.2	1,108.0	2,520.1	216.3	3,866.6
Balance sheet - assets						
	Mortgage loans etc.	230.3	225,776.9	448,472.6	54,316.5	744,791.0
	Other assets	34.5	35,054.6	148,042.4	13,384.3	199,632.4
	Total assets	264.8	260,831.5	596,515.0	67,700.8	944,423.4
Balance sheet - liabilities and equity						
3	Issued bonds	251.9	238,019.5	562,832.8	60,324.1	878,199.9
	Other liabilities	4.9	4,804.8	10,988.5	1,247.1	17,397.4
4	Shareholders' equity	8.0	18,007.2	22,693.7	6,129.6	48,826.1
5	Total liabilities and equity	264.8	260,831.5	596,515.0	67,700.8	944,423.4

Notes

Note	(DKK millions)	
1	Pursuant to section 3(1) and (2) of the executive order on the presentation of series accounts by mortgage credit institutions, a share of net interest etc. equivalent to the ratio of the individual series reserve fund to other series reserve funds has been allocated to each series. Pursuant to section 3(3) of the executive order on the presentation of series accounts by mortgage credit institutions, the Danish FSA has approved the allocation of administrative expenses etc. to individual associations using a distribution scale by which the number of loans in the association is weighted at 3, and the principal of the loans is weighted at 1. The same distribution scale is used for allocation to individual series and series reserve funds, however, allocation to pre-1972 series is made in accordance with the statutes etc. of the associations in question.	
		2015
2	Net profit for the year, series accounts	
	Net profit for the year, Realkredit Danmark A/S's financial statements	3,882
	Transferred to other reserves etc.	-1
	Adjustment of defined benefit plans	-15
	Market value adjustment of domicile properties	1
	Net profit for the year, series accounts	3,867
3	Issued bonds, series accounts	
	Issued bonds, Realkredit Danmark A/S's financial statements	762,944
	Own mortgage bonds, not offset in the series accounts	106,181
	Accrued interest, own bonds	9,075
	Issued bonds, series accounts	878,200
4	Shareholders' equity, series accounts	
	Shareholders' equity, Realkredit Danmark A/S's financial statements	48,777
	Reserves in pre-1972 series subject to a reimbursement obligation	49
	Shareholders' equity, series accounts	48,826
5	Total assets, series accounts	
	Total assets, Realkredit Danmark A/S's financial statements	836,593
	Own mortgage bonds, not offset in the series accounts	106,181
	Accrued interest, own bonds	1,649
	Total assets, series accounts	944,423
6	Transfers to and from reserves subject to a reimbursement obligation	
	In 2015, the following net transfers of funds to and from the reserves were made between individual associations and other reserves.	
	Transferred from and to shareholders' equity:	
	Series not subject to a reimbursement obligation	-4,036
	Danske Kredit	-3
	Other reserves	4,039
	Total	-

Financial statements for the individual series may be obtained from Realkredit Danmark.

Statement by the management

The Board of Directors and the Executive Board (the management) have considered and approved the annual report of Realkredit Danmark A/S for the financial year 2015.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU, and the Parent Company's financial statements have been prepared in accordance with the Danish Financial Business Act. Furthermore, the annual report has been prepared in accordance with Danish disclosure requirements for annual reports of issuers of listed bonds.

In our opinion, the consolidated financial statements and the Parent Company's financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 2015. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

The management will submit the annual report to the general meeting for approval.

Copenhagen, 2 February 2016

Executive Board

Carsten Nøddebo Rasmussen
Chairman of the Executive Board

Board of Directors

Tonny Thierry Andersen
Chairman

Lars Mørch
Vice Chairman

Kim Andersen

Henrik Ramlau-Hansen

Claus Bundgaard

Lisbeth Sahlertz Nielsen

Auditor's report

Independent auditor's reports

To the shareholder of Realkredit Danmark A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Realkredit Danmark A/S for the financial year 1 January 2015 to 31 December 2015, pp 17-58 which comprise the income statement, statement of comprehensive income, balance sheet, statement of capital and notes, including the accounting policies, for the Group as well as the Parent, and the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for issuers of listed bonds, and the parent financial statements are prepared in accordance with the Danish Financial Business Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for issuers of listed bonds as well as the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2015, and of the results of its operations and cash flows for the financial year 1 January 2015 to 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for issuers of listed bonds.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2015, and of the results of its operations for the financial year 1 January 2015 to 31 December 2015 in accordance with the Danish Financial Business Act.

Statement on the management's report

Pursuant to the Danish Financial Business Act, we have read the management's report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management's report is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, 2 February 2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Erik Holst Jørgensen
State-Authorised Public
Accountant

Jens Ringbæk
State-Authorised Public
Accountant

Directorships

Under section 80(8) of the Danish Financial Business Act, financial institutions are required to publish information at least once a year about directorships held with the approval of the Board of Directors by persons employed by the Board (section 80(1) of the Act).

This page also lists directorships held by members of the Board of Directors outside the Realkredit Danmark Group.

Board of Directors

Tonny Thierry Andersen, Chairman

Member of the Executive Board of Danske Bank A/S

Born on 30 September 1964

Joined the Board of Directors on 22 April 2004

Directorships and other offices:

Bankernes Kontantservice A/S

FRI af 16. September 2015 A/S (Chairman)

Danske Bank International S.A. (Chairman)

Danske Bank Oyj (Chairman)

The Danish Bankers Association (Chairman)

The Private Contingency Association for the Winding up of Distressed Banks, Savings Banks and Cooperative Banks (Chairman)

YPO, Danmark (CFO)

Værdiansættelsesrådet

ICC Danmark

Danish Economic Council

Lars Mørch, Vice Chairman

Member of the Executive Board of Danske Bank A/S

Born on 11 May 1972

Joined the Board of Directors on 9 August 2012

Directorships and other offices:

Northern Bank Limited (Chairman)

Danske Leasing A/S (Chairman)

Grænsefonden

Dagmar Marshalls Fond

Kim Andersen

Managing Director

Born on 30 April 1955

Joined the Board of Directors on 21 November 2011

Independent

Chairman of the Audit Committee

The Board of Directors has appointed Kim Andersen as a qualified member of the Audit Committee.

Kim Andersen is a state-authorised public accountant (license deposited). He has experience as chief internal auditor, control-

ler and CFO of an international company and has served both as an executive and non-executive board member.

On the basis of his qualifications, the Board of Directors believes that Kim Andersen is able to make an independent assessment of whether the Realkredit Danmark Group's financial reporting, internal controls, risk management and statutory audit are planned and conducted in an expedient manner in relation to the Group's size and complexity.

Managing Director of Audio Consult ApS

Managing Director of KA Invest af 2. maj 2003 ApS

Directorships and other offices:

Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999

Danica Pension, Livsforsikringsaktieselskab

Henrik Ramlau-Hansen

Member of the Executive Board of Danske Bank A/S

Born on 2 October 1956

Joined the Board of Directors on 8 March 2011

Member of the Audit Committee

Directorships and other offices:

Forsikringsselskabet Danica, Skadeforsikringsaktieselskab af 1999 (Vice chairman)

Danica Pension, Livsforsikringsaktieselskab (Vice chairman)

Kreditforeningen Danmarks Pensionsafviklingskasse (Chairman)

LR Realkredit A/S

Claus Bundgaard (elected by the employees)

Senior Valuation Consultant, agriculture, Realkredit Danmark A/S

Born on 11 January 1957

Joined the Board of Directors on 31 August 2011

Directorships and other offices:

Studerterkollegiet Jomsborg

Lisbeth Sahlertz Nielsen (elected by the employees)

Senior Business Adviser Realkredit Danmark A/S

Born on 16 May 1972

Joined the Board of Directors on 7 March 2013

Directorships

Executive Board

Carsten Nøddebo Rasmussen

Chairman of the Executive Board

Born on 15 August 1964

Joined the Executive Board on 1 December 2006

Directorships and other offices:

home a/s (Chairman)

e-nettet a/s (Vice Chairman)

Kreditforeningen Danmarks Pensionsafviklingskasse

Danish Mortgage Banks' Federation (Chairman)

The Popular Educational Association, Kgs. Lyngby (Chairman)

Supplementary information

Financial calendar


- Annual General Meeting:
3 March 2016
- Interim Report – First Quarter 2016:
29 April 2016
- Interim Report – First Half 2016:
21 July 2016
- Interim Report – First Nine Months 2016:
28 October 2016

Contact

Chairman of the Executive Board and
Chief Executive Officer
Carsten Nøddebo Rasmussen
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Links

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