



**Nykredit Bank**

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



## C O R P O R A T E   I D E N T I T Y

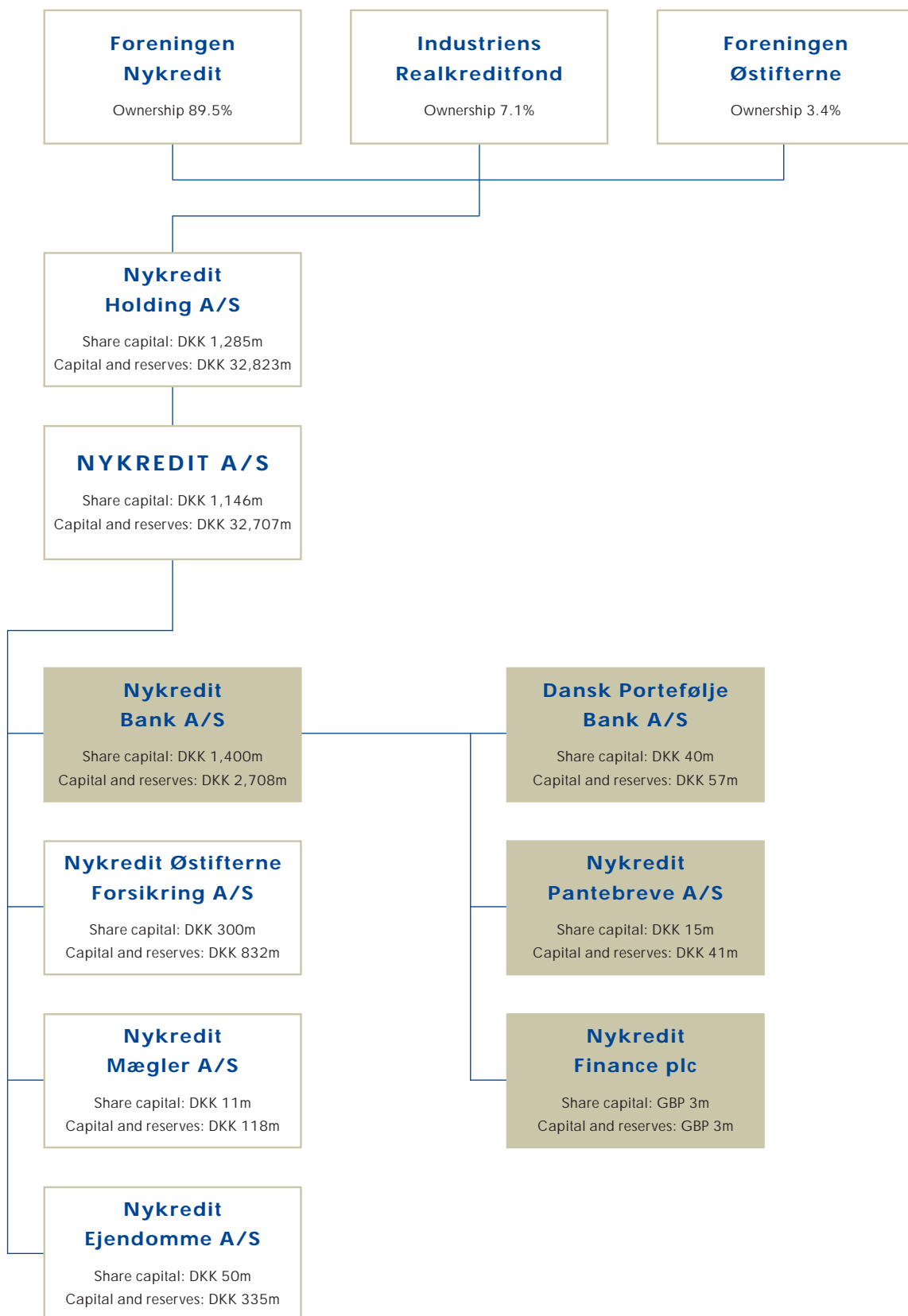
Nykredit Bank occupies a key position in the overall strategy of the Nykredit Group and co-operates closely with the other entities of the Group including Nykredit A/S, the Mortgage Bank, and Nykredit Østifterne Forsikring A/S, the Insurer.

As a specialised bank, Nykredit Bank is devoted to offering attractive and competitive products and services within targeted areas. This builds a platform for generating satisfactory profitability.

The Bank supplies large corporate and institutional customers with financing and investment products from all entities of the Nykredit Group. Attention centres especially on value-adding and specialised products and services.

The Nykredit Group serves commercial and retail customers via Nykredit's local offices, a call centre and Internet bank facilities. Nykredit Bank supplies products for sale via these distribution channels. The Bank aims continually to tailor products to meet customers' demands for quality, availability and efficiency. Effective production and a deliberate credit policy will ensure profitability.

In the pursuit of Nykredit Bank's targets, the staff members play a vital role. Therefore, the Bank seeks to develop a cultural and organisational environment enabling all staff members to contribute to the development of the Bank. This is part of the Bank's strategy to attract and retain competent and motivated staff.



## HIGHLIGHTS AND KEY RATIOS

THE NYKREDIT BANK GROUP	1997	1998	1999	2000	2001	2001 EUR MILLION
DKK MILLION						
<b>SUMMARY PROFIT AND LOSS ACCOUNT</b>						
Net interest receivable	203	215	301	425	<b>467</b>	<b>63</b>
Fees and commissions receivable (net)	49	65	138	73	<b>63</b>	<b>8</b>
<b>Net income from interest and fees</b>	<b>252</b>	<b>280</b>	<b>439</b>	<b>498</b>	<b>530</b>	<b>71</b>
Value adjustments	(13)	53	54	(1)	<b>66</b>	<b>9</b>
Other operating income	2	2	5	53	<b>26</b>	<b>4</b>
Operating costs	(183)	(266)	(332)	(400)	<b>(400)</b>	<b>(54)</b>
Depreciation, amortisation and write-downs on tangible and intangible assets	(10)	(15)	(10)	(8)	<b>(19)</b>	<b>(3)</b>
<b>Profit before provisions</b>	<b>48</b>	<b>54</b>	<b>156</b>	<b>142</b>	<b>203</b>	<b>27</b>
Write-offs and provisions for bad and doubtful debts	(14)	(27)	(92)	(30)	<b>(39)</b>	<b>(5)</b>
<b>Profit before tax</b>	<b>34</b>	<b>27</b>	<b>64</b>	<b>112</b>	<b>164</b>	<b>22</b>
Tax	(11)	(4)	(17)	(42)	<b>(44)</b>	<b>(6)</b>
<b>Net profit for the year</b>	<b>23</b>	<b>23</b>	<b>47</b>	<b>70</b>	<b>120</b>	<b>16</b>
<b>SUMMARY BALANCE SHEET AT 31 DECEMBER</b>						
<b>Assets</b>						
Cash in hand and balances due from credit institutions	14,648	13,423	17,508	14,614	<b>14,524</b>	<b>1,953</b>
Loans and advances	7,365	10,162	16,018	17,138	<b>22,320</b>	<b>3,002</b>
Securities	6,120	8,931	15,962	20,350	<b>22,845</b>	<b>3,072</b>
Other assets	827	2,800	1,637	3,604	<b>3,784</b>	<b>509</b>
<b>Total assets</b>	<b>28,960</b>	<b>35,316</b>	<b>51,125</b>	<b>55,706</b>	<b>63,473</b>	<b>8,536</b>
<b>Liabilities and equity</b>						
Debt to credit institutions and central banks	19,306	22,525	32,133	36,267	<b>42,233</b>	<b>5,680</b>
Deposits	3,797	4,684	9,446	9,658	<b>8,725</b>	<b>1,173</b>
Other liabilities	3,613	5,934	6,825	6,993	<b>9,007</b>	<b>1,211</b>
Subordinated debt	-	-	500	500	<b>800</b>	<b>108</b>
Capital and reserves	2,244	2,173	2,221	2,288	<b>2,708</b>	<b>364</b>
<b>Total liabilities and equity</b>	<b>28,960</b>	<b>35,316</b>	<b>51,125</b>	<b>55,706</b>	<b>63,473</b>	<b>8,536</b>
<b>Off-balance sheet items</b>						
Guarantees	1,696	2,528	2,485	6,398	<b>7,079</b>	<b>952</b>
Other liabilities	132	2,094	3,469	2,882	<b>3,475</b>	<b>467</b>
<b>Total off-balance sheet items</b>	<b>1,828</b>	<b>4,622</b>	<b>5,954</b>	<b>9,280</b>	<b>10,554</b>	<b>1,419</b>
<b>KEY RATIOS</b>						
Capital adequacy ratio	21.4%	13.0%	11.7%	8.9%	<b>9.4%</b>	
Core capital ratio	21.4%	13.0%	9.5%	7.3%	<b>7.2%</b>	
Return on equity after tax	1.3%	1.0%	2.2%	3.1%	<b>4.8%</b>	
Income/cost ratio	1.16	1.09	1.15	1.26	<b>1.36</b>	
Interest rate exposure	1.0%	1.2%	1.8%	0.2%	<b>2.6%</b>	
Number of full-time staff (average)	176	271	280	283	<b>299</b>	

EUR 1 = DKK 7.4357 end-2001







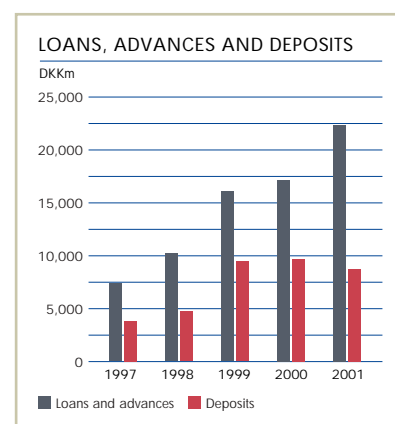
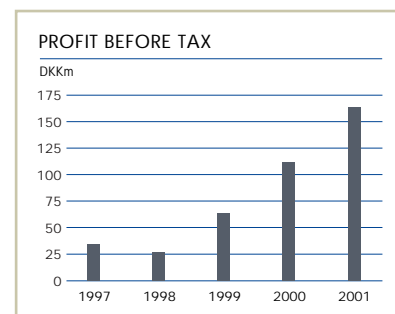
**THE GLASS CUBE** A building and its architecture send many signals about an organisation – to the organisation and its people as well as to the outside world surrounding it. The Glass Cube, Nykredit's new domicile on Kalvebod Brygge, central Copenhagen, has a broad appeal with its very distinctive yet light and transparent image. The Glass Cube is the result of an architecture competition won by the firm of architects, MAA Schmidt, Hammer & Lassen. In its choice, Nykredit has focused on the innovative solution comprising a large inner atrium, in combination with good architecture and high quality in every detail.

## MANAGEMENT REPORT

In 2001 the Nykredit Bank Group's pre-tax results were enhanced by 46% to DKK 164m. Results disappointed compared to expectations set out at the beginning of the year due to the negative impact on the investment portfolio return of volatile fixed-income markets towards year-end.

Even though the development in results in 2001 represents a step in the right direction, the Bank has not yet achieved a business volume that yields a satisfactory return on equity. At 31 December 2001 capital and reserves stood at DKK 2,708m against DKK 2,288m at end-2000.

In 2001 the Bank's business areas prospered, and income from interest, fees and value adjustments showed continued growth, up from DKK 497m in 2000 to DKK 596m in 2001. Especially Corporate and Retail Banking recorded growth, and Nykredit Markets maintained its market position.



The income/cost ratio stood at 1.36 compared with 1.26 in 2000. Staff costs and administrative expenses went up by DKK 58m to DKK 398m. The rise should be seen in the light of the increase in business volume, one outcome being higher expenses for wages and IT operations. The year also saw a one-off charge for IT development.

Write-offs and provisions for bad and doubtful debts increased by DKK 9m to DKK 39m. In line with previous years, this reflects a moderate provision ratio of 0.6.

For the purpose of strengthening the capital base, a total of DKK 600m was injected in 2001, of which DKK 300m represented an increase in equity and DKK 300m subordinated debt.

Corporate Banking successfully developed its activities within structured finance and corporate bonds and built a solid foundation for further developing its co-operation with the corporate sector. Corporate Banking recorded a rise in loans and advances of DKK 2.6bn, enhanced profitability and continued high credit quality – factors which have contributed considerably to growing earnings.

Nykredit Markets set up two new business entities in 2001 - Debt Capital Markets and the Investment Centre. Debt Capital Markets arranged the issuance of subordinated loans for two listed Danish banks, and the Investment Centre launched a new pension product combining a pension savings product from Nykredit Invest with insurance products from Nykredit Østifterne Forsikring.

In response to the low level of activity, the Bank decided to close its Corporate Finance Department in October 2001.

Dansk Portefølje Bank A/S, which handles the Group's asset management business, enjoyed continued growth in 2001, and total assets under management mounted from some DKK 25bn to DKK 34bn. Furthermore, the bank received the international Global Investment Performance Standards (GIPS) certificate.

Nykredit Pantebreve A/S, which offers financing on the basis of the issuance of mortgages, recorded growth in the turnover of mortgages and higher earnings from commercial lending and special mortgages on owner-occupied dwellings. In 2001 lending went up by 49% totalling a loan portfolio of DKK 650m.

Retail Banking also registered satisfactory growth both in terms of customer base and balance sheet total. 25,000 new customers were added to the customer base now embracing 155,000. Loans and advances rose by 33% to DKK 3.2bn, and deposits posted an increase of 61% to DKK 2.1bn. Especially Home Loans and Mortgage Equity Withdrawal Accounts were in demand.



### Outlook for 2002

Nykredit Bank expects growth in all business areas and a continuously high business volume. However, the current business structure implies that the Bank will continue to operate with a considerable deposit deficit in 2002.

The level of growth in the Bank's business activities is forecasted to result in increased expenditure for staff and operations. Although, overall IT expenditure is expected to decline in 2002, the IT area will continue to be a top priority. Write-offs and provisions for bad and doubtful debts are expected to remain low, albeit subject to an up-trend compared with 2001.

All in all, Nykredit Bank forecasts substantial growth in pre-tax results for 2002.

NYKREDIT BANK A/S		
<i>DKKm</i>	2000	2001
Net profit for the year	70	120
Balance sheet total	55,692	63,430
Capital and reserves	2,288	2,708
Full-time staff (average)	237	252

NYKREDIT PANTEBREVE A/S		
<i>DKKm</i>	2000	2001
Net profit for the year	2	3
Balance sheet total	616	478
Capital and reserves	38	41
Full-time staff (average)	13	15

NYKREDIT FINANCE PLC		
<i>DKKm</i>	2000	2001
Net profit for the year	54	4
Balance sheet total	59	50
Capital and reserves	37	42
Full-time staff (average)	2	-

DANSK PORTEFØLJE BANK A/S		
<i>DKKm</i>	2000	2001
Net profit for the year	7	6
Balance sheet total	57	63
Capital and reserves	51	57
Full-time staff (average)	22	27



## B U S I N E S S   A R E A S

### **CORPORATE BANKING**

As in previous years, 2001 saw a distinctively positive development in the business volume of the corporate segment where the Bank reinforced its position as a competitive, specialised bank catering for corporate customers.

Competition continued its fierce course in 2001, but with a clear sector trend towards prioritising profitability. Corporate Banking has a dedicated target of achieving a satisfactory return on capital. In consequence, growth in lending must meet predetermined earnings requirements including intra-group requirements of high credit quality.

Recent years' general trend towards higher loan margins in international loan markets contributed to a lift in earnings. However, in coming years, earnings may to some extent be negatively affected by a growing need for provisions for bad and doubtful debts as a result of the economic outlook.

The Nykredit Bank Group posted growth in lending to domestic and foreign corporate customers of DKK 2.6bn to nearly DKK 17bn at end-2001.

### **Activities and initiatives in 2001**

The product range comprises an array of deposit and loan products, financial instruments, securities trading, asset management and other services. As part of the Nykredit Group, the Bank has access to a number of other products such as mortgage finance and insurance products.

Nykredit Bank has opted not to offer certain products such as cash management and foreign payments.

The products offered by the Bank form part of broad financing solutions such as:



**HOVERING** The 40 metre high building seemingly hovers over the quay on Kalvebod Brygge. The Glass Cube rests on granite-clad columns which support the 57x57 metre square building. There is free passage along the harbour fairway, and the Glass Cube forms a natural end to the esplanade leading to Langebro.

HOVER

*All-in financing solutions* with an appropriate match between short and long-term financing via money market facilities combined with credit facilities or longer-term, permanent solutions.

*Combinations of mortgage finance* and banking products including guarantees and selected fixed income products which provide borrowers with very flexible financing solutions.

*Short-term credit facilities such as the swing-line concept* in relation to mortgage finance, flexible enough to exploit shifts in the yield curve.

In a joint effort Nykredit Markets and Corporate Banking successfully implemented activities within the origination of various kinds of corporate bonds. This activity is a response to the future orientation of especially large corporates towards borrowing via capital markets.

#### **Mortgage finance**

Nykredit Bank handles the sale of mortgage finance products to the Group's largest corporate customers. Activities were generally at a high level – not least in the fourth quarter when interest rate levels entailed a great amount of remortgaging activities.

The Nykredit Group's position within mortgage lending secured on commercial properties in the UK, Sweden and Germany was further consolidated in 2001.

#### **Nykredit's commercial centres**

Nykredit's commercial centres offer small and medium-sized companies advice on financing solutions which comprise both banking and mortgage finance products. The location of the commercial centres and their staff has proved expedient to the sale of the Bank's products to trade and industry.



Nykredit Bank will continue its commitment in this area in 2002.

#### **Rental housing**

In 2001 Nykredit Bank fortified its position as a leading supplier of construction loans to subsidised housing customers and as a supplier of financing solutions for small as well as large projects.

The launch of Mortgage Equity Withdrawal Accounts targeted at private housing societies fostered continued growth in activities within the housing society area.

#### **Agriculture**

Activities within agricultural lending primarily concentrated on bridge finance facilities as demand for long-term facilities is covered by mortgage loans.

Gross lending in 2001 largely remained on a level with 2000, and this is not expected to change materially in 2002.

#### **Leasing**

The level of activity in LeasIT A/S, a newly established leasing company of which the Bank owns 40%, was satisfactory and surpassed expectations. Through this co-operation and co-ownership the Bank has paved the way for offering a wide array of leasing solutions that meet the growing demand in the leasing market.

#### **Nykredit Finance plc**

The winding-up of activities in Nykredit Finance plc, a subsidiary of the Bank, progresses according to schedule.

#### **Corporate Banking in 2002**

Nykredit Bank A/S and Nykredit A/S together represent substantial strength as loan providers to Danish trade and industry with a total corporate loan portfolio of DKK 238bn at end-2001. This market position forms a solid foundation for further developing the Bank's business co-operation with corporate customers. In 2002 the Group will further consolidate its position as a key financial service provider to Danish trade and industry, thereby making Nykredit the preferred financial partner to trade and industry.

On top Nykredit Bank, Corporate Banking will continue to aim at expanding its activities within structured finance and corporate bonds.





**VIEW** The trading floor of Nykredit Bank is situated on the 4<sup>th</sup> floor of the Glass Cube where the dealers have a clear view of the movements in financial markets.

#### **NYKREDIT MARKETS**

Nykredit Markets is one of the leading players within trading in fixed income and credit products to the professional customer segment. The main goal has been to obtain critical mass within basic products. A high market share within basic products ensures access to customers but is also applied to market new high-margin products in order to increase long-term profitability.

Analytic quality has become a competitive parameter in its own right in a market with a constantly growing level of information interchange. Accurate and targeted market and product research of a high quality is a prerequisite of selling fixed-income and credit products to investors. Nykredit Markets is already a capable research publisher, and the Research Department bears comparison with the best in Denmark.

#### **Bonds**

In 2001 Nykredit Markets strengthened its position in Danish bond markets. All product areas and customer segments served reported progress. Earnings were markedly enhanced particularly on the back of a strengthened profile in the corporate segment which took up a key position in 2001.

During 2001 trading in adjustable-rate bonds constituted an important part of Nykredit Markets's business as this product became increasingly popular among homeowners.

In 2000 euro government bonds were added to the product range, and since then this area has developed in a satisfactory direction. Institutional investors in particular have turned their attention towards euro markets due to the scarcity of Danish bonds with a long duration. Therefore, Danish institutional investors were





particularly interested in the main markets for 30-year bonds in Germany, France and Italy.

#### **Credit products**

Both borrowers and investors show growing interest in credit products. Companies in general seek more flexible and broader-based financing solutions in the form of capital market transactions rather than traditional bilateral funding raised via commercial banks. At the same time investors have displayed great demand for corporate bonds which are generally issued at a substantial pick-up relative to government bonds without being subject to the high volatility of equity markets.

Driven by its trading and research competences, Nykredit Markets aims to be among the leading players in the market for credit products.

#### **Debt Capital Markets**

In 2001 Nykredit Markets set up a Debt Capital Markets function, thereby securing a presence in the primary markets for corporate bonds. Debt Capital Markets arranges bond loans issued by Scandinavian companies and financial institutions and placed among investors in Denmark and abroad. The department lead-managed the issuance of two bond loans for Danish banks and expects activities to accelerate strongly in 2002.

On expectations of strong growth in investor demand for corporate bonds issued by Scandinavian corporates and financial derivatives, Debt Capital Markets will structure loans on the basis of financial derivatives, thereby tailoring bonds to match the needs of both issuers and investors.

**Liquidity, foreign exchange and derivatives**

By virtue of the strengthened profile in the corporate segment, Nykredit Markets has experienced substantial progress in the business activities involving foreign exchange and money markets. The Danish "No" vote to the euro in September 2000 was partly behind this development as the "No" rekindled interest in foreign exchange products which would otherwise have been irrelevant had the Danes voted "Yes" to the euro.

Being a relatively unexplored product area of Nykredit Markets, derivatives saw a satisfactory year with increasing customer activity across the entire product spectre.

**Investment Centre**

In early September Nykredit Markets opened the Investment Centre for the purpose of creating concepts for long-term savings and complementing the Nykredit Group's sale of investment and pension products to retail customers. The first initiative was the launch of a new pension product, Nykredit PensionsInvest, sold via Nykredit's Sales Centre and the insurance agents of Nykredit Østifterne Forsikring.

The Equity Department of the Investment Centre offers investors close market relations and a long experience in advising customers on equity transactions. Competitive prices and focus on attractive business areas ensure customers a constructive outcome of their co-operation with the Equity Department.

**Asset management**

Dansk Portefølje Bank, which handles the Nykredit Group's asset management business, has noted keen competition and a trend toward continued market consolidation. In spite of this Dansk Portefølje Bank managed to expand its position within its core business and targeted product areas.

The number of asset management agreements and special investment funds involving international equity markets rose sharply in 2001. At end-2001 assets under management totalled approximately DKK 34bn, netting growth of some 33%. The Investment Centre is expected to contribute to a continued prosperous development in the asset management area in the longer run.

In relation to the establishment of Nykredit Invest Pension, an investment fund, new investment products were introduced as part of the efforts to meet the requirements of the Investment Centre's customers. Dansk Portefølje manages the administrative and advisory functions of the new fund.

Asset Management is a key business area of Nykredit Bank where growth has been attained by targeted marketing initiatives and a competitive return on the portfolios under management.

**New initiatives in 2002**

2002 will focus on enhancing the profitability of existing products. Moreover, new activities will be co-ordinated with maturer business areas.

In order to broaden the scope of the established business areas, new derivatives will be launched. On top Nykredit Markets will heighten focus on other basic products such as Danish index-linked bonds and European mortgage bonds.

Nykredit Markets will continually endeavour to attract new customers as the previously strong focus on the wholesale segments is increasingly broadened to include small and medium-sized customers. This development already gathered momentum last year and will accelerate further in 2002 by virtue of the Investment Centre and an even greater involvement of the Group's regional head offices.

At the threshold of 2002, the Debt Capital Markets Department was fully operational – a major step in the realisation of the Bank's strategic commitment to credit bonds.

More and more players in the Danish stock market employ the Internet in their approach to customers. The use of the Internet is particularly pronounced within research where the standard approach used to be printed publications and lists containing bond key figures. In 2002 Nykredit Markets plans to launch a new Internet solution with the aim to provide customers with up-to-date online access to portfolio management and strategic computations.





#### **RETAIL BANKING**

The year saw high growth rates – lending was up 33% and deposits 61%. At year-end lending had increased by DKK 0.8bn to DKK 3.2bn, and deposits by DKK 0.8bn to DKK 2.1bn.

The advance was chiefly driven by the following products: Housing Loans, Mortgage Equity Withdrawal Accounts and Core Accounts. In 2001 Retail Banking attained 10,000 Home Loans and 25,000 active users of the Internet Bank. The new Mortgage Equity Withdrawal Account turned out to be very popular among the Bank's customers.

At year-end the number of customer relationships reached 155,000 – up 25,000 on the year before. 90% of the Bank's retail customers have bought products from one or more of the Nykredit Group's other undertakings.

Nykredit Bank also acts as custodian with respect to the Nykredit bonds deposited with Nykredit.

#### **Nykredit Pantebreve**

Nykredit Pantebreve, a subsidiary of Nykredit Bank, offers mortgage finance in connection with trade in real property and supplementary mortgaging preferably by mortgages secured on owner-occupied dwellings and recreational properties, but also to an increasing extent on commercial and rental properties. Customers are introduced to Nykredit Pantebreve via estate agents and Nykredit's sales entities. Nykredit Pantebreve resells the majority of mortgages directly to investors.

In 2001 Nykredit Pantebreve provided approximately DKK 650m worth of financing, a rise of some 49% on 2000. For 2002 the company expects a small rise in lending.



**MEETING PLACE** Size and openness make the Glass Cube a light and spacious place of work for Nykredit's staff. The transparent open plan office environment and the suspended meeting boxes help promote a vibrant and personally rewarding co-operation and team spirit in Nykredit.

#### **New initiatives in 2001**

Nykredit Bank supplies the Nykredit Group's sales channels with retail banking products. The key channels are Nykredit's 48 local offices, supplemented by Nykredit Direkte, a call centre, and Nykredit Internet Bank.

In the call centre, a strengthening of the sales organisation has generated good results within the sale of banking products in 2001.

In co-operation with the sales channels, a new current account concept with attractive prices and terms was launched at year-end.

#### **Retail Banking in 2002**

The Bank will continue to develop and focus on products specifically designed to match the Group's target group. In 2002 attention will also be focused on diversifying the sale of products from all sales entities.

**RISK MANAGEMENT**

The Board of Directors of the Bank has set out guidelines for the types of risk the Bank may be exposed to. These risk limits have been delegated to each of the acting departments and subsidiaries.

With a view to ensuring tight management of the Bank Group's risks, the Risk Management Department monitors risks from central quarters. The Executive Board is informed about the Group's overall risks on a day-to-day basis, and the Board of Directors on a monthly basis.

**CREDIT RISKS**

The Bank applies a credit scoring system to assess retail customers, while lending to other segments is made on the basis of individually tailored credit analyses. As part of the credit analyses, corporate customers are assigned a rating in the Bank's internal rating systems.

The Bank's internal rating systems will be further developed in 2002 as part of the adaptation to the new capital adequacy rules expected to take effect from 2005.

Relative to the loan portfolio the level of provisions for retail loans remained unchanged, whereas provisions for corporate loans were lower at year-end than the year before. The downward trend in provisions for corporate loans is chiefly an effect of few exposures settled at a loss considerably below the related provisions.

Total provisions for loans, advances and guarantees amounted to DKK 166m at end-2001 against DKK 210m at end-2000. Measured relative to total Group loans, advances and guarantees at end-2001, the provisioning balance stood at 0.6% against 0.9% at end-2000.

The effect of write-offs and provisions for bad and doubtful debts on operating income came to DKK 39m in 2001 compared with DKK 30m in 2000.

Management estimates that provisions made at end-2001 are necessary and adequate. The adequacy of provisions is estimated by the extent to which losses ascertained individually during the financial year were covered by provisions made no later than at the beginning of the financial year in question. In 2001 this key ratio came to 89.6 against 96.4 in 2000.

**MARKET RISKS**

Computation of market risks is made by a trading and risk management system that handles all types of financial instruments and provides the Bank with a high degree of consistent monitoring and computation of market risks. The system is constantly being refined and is subject to continuous quality assurance and adaptation to new products. Management reporting is made on a day-to-day basis.

**Interest rate risks**

The most significant interest rate exposure relates to the Bank's securities trading and money market transactions. To a substantial extent, long-term loans and deposits are hedged in respect of interest rate risk.

Risk key ratios are computed on Danish mortgage bonds on a daily basis allowing for the embedded option element. Interest rate and credit spread exposures are computed on a daily basis.

At end-2001 interest rate exposure came to DKK 70m compared to DKK 5m at end-2000 computed as the gain or loss generated by a parallel shift in yield curves of 1 percentage point.

**Exchange rate risks**

Exchange rate risks are computed subject to Exchange Rate Indicators 1 and 2, the authorised reporting measures for the Danish Financial Supervisory Authority.

The exchange rate exposure measured by Exchange Rate Indicator 1 is computed as the sum of all net positions. Exchange Rate Indicator 1 came to DKK 459m at end-2001 against DKK 294m at end-2000.

Exchange Rate Indicator 2 indicates the maximum loss which the Bank may incur at a 99% probability on the aggregate foreign exchange positions within a 10-day period. Exchange Rate Indicator 2 allows for the covariance of foreign exchange positions. Exchange Rate Indicator 2 came to DKK 5m at end-2001 against DKK 3m at end-2000.

For positions in foreign exchange not quoted by the Danish central bank, a much more conservative risk measure is applied.

#### Option risks

Apart from the option element embedded in Danish mortgage bonds, the Bank has not incurred any material option risks.

#### Equity risks

At year-end equity risks measured as the total equity exposure came to DKK 38m at end-2001 against DKK 52m at end-2000.

### BALANCE SHEET MANAGEMENT

#### Liquidity policy

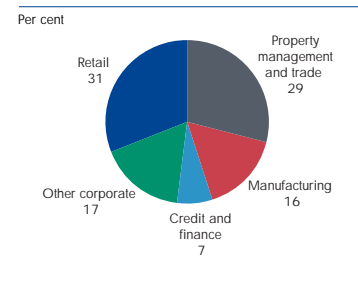
The Bank has drafted a liquidity policy which sets out principles and requirements of liquidity and balance sheet planning. The policy also contains intra-group prerequisites and requirements for management reporting, balance sheet structure and funding.

The Bank's Treasury Department handles overall balance sheet management including management and planning of liquidity, monitoring of money and capital markets, changes in the balance sheet composition and management reporting.

#### GROUP ACCOUNT FOR WRITE-OFFS AND PROVISIONS

<i>DKK million</i>	2000	2001
Provisions, beginning of year	229	210
New provisions for the year, net	32	32
Previously provided for – now lost	(27)	(76)
Other disposals	(24)	0
<b>Provisions, year-end</b>	<b>210</b>	<b>166</b>
New provisions for the year, net	32	32
Write-offs – not previously provided for	1	9
Received on claims previously written off	(3)	(2)
<b>Write-offs and provisions, net</b>	<b>30</b>	<b>39</b>
<b>Write-offs and provisions – key ratios</b>		
Provision balance as a percentage of loans, advances and guarantees at 31 December	0.9	0.6
Write-offs and provisions as a percentage of loans, advances and guarantees, year-end	0.1	0.1
Losses ascertained, covered by provisions as a percentage, beginning of year	96.4	89.6
Claims at reduced interest as a percentage of loans, advances and guarantees at 31 December	0.1	0.1

#### EXPOSURES (LOANS, ADVANCES AND GUARANTEES) BY BUSINESS AREA



Excl reverse transactions



Balance sheet management is based on an intra-group developed liquidity model which indicates the implications of market changes and portfolio reallocation in different currencies. The model generates the Bank's daily cash flows according to various assumptions on the development in both reported and projected cash flows.

More sophisticated computations of different risk scenarios and their impact on the Bank's short and long-term cash flows and balance sheet composition are made on an ad hoc basis. The liquidity model is subject to intra-group guidelines supplementing the liquidity requirements of the Danish Commercial Banks and Savings Banks Act and the recommendations of the Bank for International Settlements (BIS) for liquidity policy and management.

#### **Funding**

The overall responsibility for the Bank's funding activities rests with the Treasury Department. Funding costs are allocated on an intra-group basis in order to ensure that the Bank's balance sheet only contains transactions that cover the cost of capital and meet intra-group requirements.

As part of the Nykredit Group the Bank holds a strong position in the Danish money market. The Bank has attained sound funding in Danish kroner, whereas the Bank's foreign exchange funding is still being structured. In 2001 the Bank continued the process of entering into bilateral agreements with international banks on a long-term funding base, primarily in euros. In 2001 the Bank also initiated a co-operation with the European Investment Bank (EIB) on funding.

#### **Capital management**

In February the Bank increased its capital base by DKK 600m of which DKK 300m was subordinated debt. At year-end the Bank's core capital ratio stood at 7.2 and the capital adequacy ratio at 9.4.

The Bank computes the statutory capital requirements on a daily basis according to the rules set forth in the Danish Commercial Banks and Savings Banks Act. The capital requirements are specified by the following business areas: Corporate Banking, Markets and Retail Banking with a view to continually assessing the profitability of each area. The Treasury Department monitors the outflow of funds on a day-to-day basis and may recommend the reallocation of capital in order to optimise the outflow of funds.

#### **New capital adequacy rules**

##### **- economic capital**

The Bank is currently preparing for the coming rules governing financial institutions – the so-called Basel II which sets new standards for capital requirements and is expected to be implemented in 2005. Basel II sets out a capital requirement, "the economic capital", which is in better accordance with the actual risk. The "economic capital" is a broad risk measure of all types of risks enabling financial institutions to express the aggregate risk of losses as one figure.

##### **Investment portfolio income**

As part of the Bank's efforts to ensure maximum focus on the development of the business entities including the management of market risks inherent in trading on behalf of customers in Nykredit Markets and the Corporate Banking area, the Bank's bond portfolio has been invested according to a conservative risk assessment.

In the fourth quarter, fixed income markets were particularly volatile following the terrorist attack on 11 September 2001 in the US. This had a negative effect on the Bank's investment portfolio income in 2001.

## R E S O U R C E S

### **Staff**

At end-2001 the Nykredit Bank Group had 305 staff converted into full-time staff compared with 291 at end-2000.

A specialised bank places great demands on the capability, commitment and flexibility of its staff. The Bank expects demand for competent staff to intensify in the future, and therefore, the Bank focuses on its ability to attract and retain the required number and type of staff.

### **Information technology**

Consistent and future-oriented use of information technology is an important competitive parameter, and in 2002 as well this area will continue to be a top priority.

Nykredit Bank's primary supplier is Bankernes EDB Central (BEC). The Bank supplements BEC's services with products from other suppliers and intra-group developed systems.

The Nykredit Bank Group's results before tax were DKK 164m against DKK 112m in 2000.

A positive trend within all key business areas generated an increase in income from interest and value adjustments from DKK 497m to DKK 596m. The results should be seen in the context of the negative effect on income from interest and value adjustments of the development in international markets towards year-end.

Compared with a negative DKK 1m in 2000, value adjustments totalled a positive DKK 66m of which financial instruments accounted for DKK 57m against a negative DKK 126m the year before. The Bank continually applies financial instruments for the purpose of hedging interest and exchange rate risks, and the item should be viewed in connection with income from interest and other value adjustments.

Fees netted a decrease from DKK 71m in 2000 to DKK 50m. The decrease was first and foremost a consequence of the low level of Corporate Finance activity in 2001.

Other operating income of DKK 26m primarily derived from property leasing and reversal of provisions for costs incurred by legal actions.

Staff costs, administrative expenses, depreciation and amortisation came to DKK 417m, up DKK 69m on 2000. Relative to the level of growth in the activities of the Group, operating costs complied with expectations, and the cost/income ratio was 1.36 against 1.26 in 2000.

Wage costs increased by approximately DKK 12m to DKK 193m which can be ascribed to the full-year effect of staff employed in 2000 and new appointments in 2001. At end-2001 the Bank Group had 305 staff compared with 291 the year before.

Other overheads went up by DKK 57m from DKK 167m in 2000 to DKK 224m. The rise is an effect of expenditure related to the relocation to new premises and a one-off charge for IT development, but also the increase in business

activities affected the level of costs as higher costs related to IT operations, etc were incurred.

Compared with the year before other operating expenses were considerably reduced as the accounts for 2000 contained expenses related to the value adjustment and divestment of Frankfurter Bodenkreditbank AG, a former subsidiary, as well as provisions for pending legal actions.

Write-offs and provisions for bad and doubtful debts were DKK 39m against DKK 30m in 2000. Owing to the continued stability in the Danish economy, the level of provisions may be characterised as low. Relative to Group loans, advances and guarantees, provisions totalled 0.6% (2000: 0.9%) and write-offs for the year 0.1% (2000: 0.1%).

The tax charge on the results for the year came to an estimated DKK 44m equal to 27% of results before tax. Net profit for the year was DKK 120m compared with DKK 70m in 2000.

#### **Group balance sheet, equity and capital adequacy**

At end-2001 the Group balance sheet stood at DKK 63.5bn against DKK 55.7bn at end-2000.

Loans and advances were up by DKK 5.2bn or 30%. Of this amount retail lending accounted for a rise of DKK 0.8bn, whereas corporate and other lending grew by DKK 4.4bn. In 2001, loans of DKK 2.2bn were transferred to the Bank from Frankfurter Bodenkreditbank AG. At end-2001 reverse transactions came to DKK 3.0bn relative to DKK 3.4bn at end-2000.

In 2001 Nykredit Markets maintained its level of activity in repo and bond markets, and the Bank's bond portfolio grew from DKK 20.3bn at end-2000 to DKK 22.8bn at end-2001.

Tangible assets were up from DKK 218m to DKK 269m at end-2001. Operating lease properties came to DKK 254m (2000: DKK 204m) of the total balance.

Other assets aggregated DKK 3.5bn, largely the same as at end-2000. The most important ele-

ments of this item were “positive market values of financial instruments” of DKK 1.4bn (2000: DKK 1.9bn), while “interest and commissions due” amounted to DKK 1.4bn (2000: DKK 1.0bn).

Debt to central banks and credit institutions was raised by DKK 6.0bn to DKK 42.2bn of which repo transactions covered DKK 11.5bn against DKK 16.3bn the year before.

Deposits stood at DKK 8.7bn, down DKK 1.0bn compared with end-2000. Retail deposits increased by approximately DKK 0.8bn, whereas fixed-term deposits from corporate customers were reduced by DKK 1.8bn. Repo transactions accounted for DKK 0.7bn of total deposits against DKK 1.7bn at end-2000.

Other liabilities, totalling DKK 9.0bn, consisted mainly of the item “negative trade book” of DKK 5.6bn (2000: DKK 3.8bn), “negative market value of financial instruments” of DKK 1.5bn (2000: DKK 1.7bn), while “interest and commissions payable” were DKK 1.6bn (2000: DKK 1.1bn).

At year-end assets and liabilities in foreign exchange aggregated DKK 22.2bn (2000: DKK 18.2bn) and DKK 18.6bn (2000: DKK 18.5bn), respectively.

#### **Off-balance sheet items**

At end-2001 off-balance sheet items were DKK 10.6bn compared with DKK 9.3bn at end-2000. The development stems primarily from a rise in guarantees following a high level of remortgaging at end-2001 and settlement of the guarantees provided at end-2000 in relation to the divestment of Frankfurter Bodenkreditbank AG.

#### **Capital structure**

In 2001 the capital base was strengthened via an increase of DKK 600m of which DKK 300m represented an increase in equity and DKK 300 subordinated debt. After inclusion of the net profit for the year of DKK 120m, equity were DKK 2,708m against DKK 2,288m at end-2000.

#### **Capital base and capital adequacy**

After deductions the capital base was DKK 3,494m against DKK 2,772m at end-2000.

The Group’s weighted items were DKK 37.1bn (2000: DKK 30.9bn) resulting in an estimated capital adequacy ratio of 9.4 (2000: 8.9). The capital adequacy ratio of Nykredit Bank, the Parent Company, stood at 9.4 at end-2001 against 8.8 at end-2000.

#### **Events occurred after 31 December 2001**

In the period from the end of the financial year to the presentation of the accounts no events have occurred which may affect the assessment of the accounts for 2001.

#### **SUBSIDIARIES OF THE NYKREDIT BANK GROUP**

##### **Dansk Portefølje Bank A/S**

Results before tax posted DKK 8m against DKK 11m in 2000. Results after tax came to DKK 6m, down DKK 1m on 2000.

In line with last year, income was positively affected by the development in asset management and administration agreements. Total assets under management were enhanced from DKK 25bn at the beginning of the year to DKK 34bn at end-2001 equal to growth of 33%. The falling equity markets had a negative influence on income.

2001 was a year of investment for Dansk Portefølje Bank resulting in a rise in operating costs to DKK 24m against DKK 19m in 2000. The rise of DKK 5m was due to an increase in the number of staff from 22 at end-2000 to 30 and costs incurred in relation to the relocation to new and larger offices. Finally, Dansk Portefølje Bank invested in a new IT platform and certification under the international GIPS standard.

The balance sheet stood at DKK 63m at end-2001 against DKK 57m at end-2000. The bank’s assets consisted mainly of DKK 44m of securities and approximately DKK 8m of balances due from credit institutions. Capital and reserves were DKK 57m at end-2001 against DKK 51m at end-2000.



The share capital is wholly owned by Nykredit Bank A/S.

**Nykredit Pantebreve A/S**

Results before tax posted DKK 5m against DKK 2.5m in 2000. After tax results amounted to approximately DKK 3m, up DKK 1.5m on 2000.

In 2001 the company registered a considerable lift in the turnover of mortgages and an up-trend in earnings from corporate loans and special mortgages on owner-occupied dwellings.

The company also introduced loans of DKK 650m against DKK 435m in 2000 equalling growth of 49%. One of the results of the increased business volume was a rise in wage costs and administrative expenses from DKK 9m in 2000 to DKK 11m. The number of full-time staff was 16 at end-2001 corresponding to an addition of 3.

Write-offs and provisions for bad and doubtful debts were up from nearly DKK 1m to DKK 3.5m, and subsequently total provisions amounted to DKK 3.4m at end-2001 against DKK 1.4m at end-2000.

The company's balance sheet stood at DKK 478m at end-2001 against DKK 616m at end-2000. Assets consisted primarily of loans, advances and mortgages. Nykredit Bank has guaranteed loans in the amount of DKK 326m. These loans were originally issued by Frankfurter Bodenkreditbank AG. Capital and reserves came to DKK 41m at end-2001 against DKK 38m at end-2000.

The share capital is wholly owned by Nykredit Bank A/S.

**Nykredit Finance plc**

Largely all Nykredit Finance's activities have been phased out as Nykredit Bank took over the majority of the company's loan portfolio in 2000. Profit for the year came to DKK 4m against DKK 54m in 2000. The results were mainly an effect of reversal of provisions previously made.

The balance sheet stood at DKK 50m at end-2001, a reduction of DKK 9m compared with the balance sheet at end-2000. Capital and reserves came to DKK 42m against DKK 37m the year before.

The share capital is wholly owned by Nykredit Bank A/S.

**LeasIT A/S**

2001 was the first real operating year of the company. The results for the year were a loss of DKK 2m. 40% of the results have been included in Nykredit Bank's accounts or a negative DKK 0.8m equalling the Bank's ownership stake as the company is consolidated on a pro rata basis.

The company achieved finance income of a satisfactory DKK 12m, and the activities in 2001 created a solid platform for meeting the rising demand for leasing solutions.

Expenses for wages and administration amounted to DKK 13m. The company had 17 staff at end-2001.

The balance sheet was DKK 594m. Assets consisted mainly of DKK 538m of loans and advances, and liabilities of balances due to banks including Nykredit Bank of a total of DKK 526m.

Capital and reserves stood at DKK 26m at end-2001 of which some DKK 10m has been included in the accounts of the Nykredit Bank Group.

## ACCOUNTING POLICIES

### General

The Group and Annual Accounts of Nykredit Bank A/S comply with the Danish Commercial Banks and Savings Banks Act and the Danish Financial Supervisory Authority's executive order on the presentation of bank accounts.

The accounting policies are consistent with those applied in 2000.

### Consolidation

The Parent Company and subsidiaries in which Nykredit Bank, directly or indirectly, holds more than 50% of the voting rights or otherwise holds a controlling interest have been included in the Group Accounts.

Subsidiaries' "Results from ordinary activities before tax" have been booked under "Profit from participating interests in associated and subsidiary undertakings", whereas tax for the year has been entered under "Tax" in the accounts of the Parent Company.

The Group Accounts have been prepared on the basis of the audited accounts of each undertaking combining items of a uniform nature. Intra-group income and expenses have been eliminated as have other intra-group transactions and balances.

All accounts included in the Group Accounts comply with the same accounting policies.

The book value of participating interests in subsidiary undertakings has been set off against the proportionate share of the capital and reserves of the undertakings at the time of acquisition. Balances have been taken directly to capital and reserves. Newly acquired subsidiaries have been included in the Group results from the time of acquisition. Divested undertakings have been included up to the time of divestment. Comparative figures have not been adjusted for undertakings newly acquired or divested.

### PROFIT AND LOSS ACCOUNT

#### Interest

Interest includes interest due and interest computed as well as arbitrage premium from securities and foreign exchange transactions. Interest

has been computed from the last due date to the balance sheet date.

#### Write-offs and provisions for bad and doubtful debts

Lending activities are subject to periodic assessment in order to identify potential loss risks. Provisions have been made on this basis. Write-offs have also been made for classes of similar loans on the basis of statistical calculations.

Provisions have been set off against the assets concerned. Write-offs ascertained and provisions for bad and doubtful debts have been charged to the profit and loss account under the item "Write-offs and provisions for bad and doubtful debts".

#### Taxation

Tax assessed at 30% of taxable income together with adjustment of deferred tax and tax assessed for previous years have been charged to the profit and loss account.

The undertakings of the Group are not jointly taxed.

Danish corporation tax is paid under the scheme for payment of tax on account. In so far as the tax paid on account does not correspond to the assessed tax charged on the profit for the year, the interest receivable or payable on the difference has been entered under "Other interest receivable" or "Other interest payable", as appropriate.

Deferred taxes have been provided for on the basis of timing differences between the accounting and tax values in accordance with the liability method. Deferred taxes have been posted in the balance sheet under the items "Provisions for liabilities" or "Other assets". Changes in deferred tax for the year have been charged or credited to the profit and loss account.

#### Foreign exchange translation

Income and expenses in foreign exchange have been translated into Danish kroner at the exchange rates ruling at the dates of entry.

Assets and liabilities including off-balance sheet items in foreign exchange have been entered at the official exchange rates quoted at year-end by

Danmarks Nationalbank, the Danish central bank. For foreign exchange not quoted by the Nationalbank, estimated exchange rates have been applied.

#### **Derivative financial instruments**

Foreign exchange and forward contracts have been entered at the forward rates prevailing at year-end. Value adjustments resulting from changes in interest or exchange rates have been booked under "Value adjustments". The forward premium has been accrued over the term of the contract and entered under "Interest receivable".

Interest rate and currency swaps have been entered at market value at year-end.

Swaps concluded to hedge interest rate risks on certain fixed-rate assets or liabilities have not been value adjusted.

Forward Rate Agreements, options and futures have been marked to market on the balance sheet date.

Unrealised and realised capital gains and losses have been charged to the profit and loss account and set off against "Other assets" or "Other liabilities".

#### **Repo/Reverse transactions**

Bonds sold as part of sales and repurchase transactions have been retained in the balance sheet under "Bonds". Proceeds received have been entered under "Debt to credit institutions and central banks" or "Deposits" depending on the counterparty.

Bonds acquired as part of purchase and resale transactions have been entered under "Balances due from credit institutions and central banks" or "Loans and advances" depending on the counterparty.

The balance between purchase and sales prices has been accrued over the term of the contract and entered under "Interest receivable" or "Interest payable".

#### **ASSETS**

##### **Loans, advances and guarantees**

Loans and advances have been entered at the lower of cost or market value. Loans and ad-

vances, where the interest rate risk has been hedged via fixed-rate liabilities or derivative financial instruments, have not been value adjusted.

Losses ascertained during the year have been written off, while appropriate provisions have been made for losses on exposures deemed at risk.

#### **Lease assets**

Finance lease assets have been included in the balance sheet under "Loans and advances" and valued at cost of acquisition after deduction of depreciation. Operating lease assets have been booked in the balance sheet under "Tangible assets".

Income from finance lease assets consisting of lease rental less depreciation has been booked under "Interest receivable", whereas income from operating lease assets, ie the annual lease rental, has been credited to "Other operating income". Depreciation relating to operating lease assets has been charged under the item "Depreciation, amortisation and write-downs on tangible and intangible assets".

Depreciation has been computed using the actuarial method and in consideration of the economic life of the individual asset so that the cost of acquisition after deduction of any estimated residual value has been depreciated over the lease term.

Profit or loss on the sale of the lease assets at expiry of contract has been charged under "Other operating income" or "Other operating expenses".

#### **Bonds**

Quoted bonds have been stated at the official prices quoted at year-end. Bonds drawn for redemption at the beginning of January the following year have been recorded at par, whereas bonds drawn for redemption at a later date have been stated at prices based on the remaining terms to maturity.

Unquoted bonds have been stated at the lower of cost and fair value.

All realised or unrealised capital gains/losses have been taken to the profit and loss account.

### **Shares**

Quoted shares have been stated at the official prices quoted at year-end, whereas unquoted shares have been stated at the lower of cost and fair value.

All realised and unrealised capital gains/losses have been taken to the profit and loss account.

### **Participating interests in associated undertakings**

Participating interests in associated undertakings have been valued in accordance with the equity method. Participating interests are shares in undertakings where the Group holds a minimum of 20% and a maximum of 50% of voting rights and at the same time exercises considerable influence on the operations and management of the undertaking. Participating interests in credit and finance institutions have been consolidated on a pro rata basis.

### **Participating interests in subsidiary undertakings**

Participating interests in subsidiary undertakings have been valued in accordance with the equity method. The proportionate share of the results of the subsidiaries has been booked as income in the profit and loss account of the Parent Company.

On the acquisition of additional participating interests, the difference has been calculated between the acquisition price and the proportionate share of the equity value of the subsidiaries at the time of acquisition. In the Parent Company the differences have been adjusted over capital and reserves.

### **Intangible and tangible assets**

**Intangible assets** including rebuilding costs of leased premises, payment in connection with acquisition of leases and software have been fully expensed in the year of acquisition.

Goodwill has been written off directly against capital and reserves on acquisition.

**Properties** have been entered at cost with addition of any costs of improvement and less depreciation and write-downs made.

Where the market value is below the book value and not expected to be temporary, the properties have been written down to the lower value. Write-downs have been entered in the profit and loss account.

Where the market value is considerably above the book value, the properties have been revalued to the higher value if the increase in value is expected to be permanent. The revaluation has been entered under "Revaluation reserve" under capital and reserves.

Properties included in operating lease activities have been depreciated according to the actuarial method and in consideration of the economic lives.

**Operating equipment** has been entered at cost less straight-line depreciation against the expected economic lives being:

- Computer equipment and machinery 4 years
- Equipment and motor vehicles 5 years

Small assets and assets with short economic lives have been expensed in the year of acquisition.

### **CASH FLOW STATEMENT**

The statement has been computed according to the direct method and shows the cash flow for the year divided into cash flow from operating, investment and financing activities and the effects of the cash flow on cash and cash equivalents at year-end.

"Cash and cash equivalents" at year-end includes the items "Cash in hand and demand deposits with central banks" and "Balances due from credit institutions and central banks".

### **INTRA-GROUP TRANSACTIONS**

The Nykredit Group consists of a number of independent legal entities. Intra-group trade and services are settled on an arm's length basis or, where no real market exists, at estimated market terms. Alternatively, settlement is made on a cost reimbursement basis.



2000	2001		Note	2001	2000
3,142	3,285	Interest receivable	1	3,264	3,064
2,717	2,818	Interest payable	2	2,815	2,684
<b>425</b>	<b>467</b>	<b>NET INTEREST RECEIVABLE</b>		<b>449</b>	<b>380</b>
2	13	Dividends from participating interests	3	13	2
151	139	Fees and commissions receivable		98	129
80	89	Fees and commissions payable		88	80
<b>498</b>	<b>530</b>	<b>NET INCOME FROM INTEREST AND FEES</b>		<b>472</b>	<b>431</b>
(1)	66	Value adjustments	4	65	(9)
53	26	Other operating income	5	26	2
340	398	Staff costs and administrative expenses	7, 8, 9	358	294
8	19	Depreciation, amortisation and write-downs on tangible and intangible assets	19	19	7
60	2	Other operating expenses	10	1	53
30	39	Write-offs and provisions for bad and doubtful debts	34	39	41
-	-	Profit from participating interests in associated and subsidiary undertakings	11, 18	18	83
<b>112</b>	<b>164</b>	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>164</b>	<b>112</b>
42	44	Tax	12	44	42
<b>70</b>	<b>120</b>	<b>NET PROFIT FOR THE YEAR</b>		<b>120</b>	<b>70</b>
		<b>DISTRIBUTION OF PROFITS</b>			
		Net profit for the year		120	70
		Brought forward from previous years		-	-
		<b>TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION</b>		<b>120</b>	<b>70</b>
		Appropriated to capital and reserves		120	70
		<b>TOTAL DISTRIBUTION</b>		<b>120</b>	<b>70</b>

2000	2001		Note	2001	2000
<b>ASSETS</b>					
31	82	Cash in hand and demand deposits with central banks		82	28
14,583	14,442	Balances due from credit institutions and central banks	13, 29, 30, 31	14,429	14,580
17,138	22,320	Loans and advances	14, 29, 30, 31, 34, 35	22,221	17,038
20,298	22,807	Bonds	15, 17, 29	22,763	20,273
52	38	Shares	16, 17, 18	38	52
-	-	Participating interests in associated undertakings	18, 39	10	4
-	-	Participating interests in subsidiary undertakings	18, 39	143	129
218	269	Tangible assets	19	260	213
3,384	3,513	Other assets	12	3,484	3,373
2	2	Prepayments		0	2
<b>55,706</b>	<b>63,473</b>	<b>TOTAL ASSETS</b>	<b>32</b>	<b>63,430</b>	<b>55,692</b>

2000	2001		Note	2001	2000
<b>LIABILITIES AND EQUITY</b>					
36,267	42,233	Debt to credit institutions and central banks	20, 29, 30	42,175	36,205
9,658	8,725	Deposits	21, 29, 30	8,771	9,738
6,926	8,974	Other liabilities		8,943	6,894
12	11	Deferred income		11	12
55	22	Provisions for liabilities	22	22	55
500	800	Subordinated debt	23	800	500
<b>CAPITAL AND RESERVES</b>					
1,300	1,400	Share capital	24, 25	1,400	1,300
840	1,040	Share premium account		1,040	840
-	-	Other reserves		38	25
0	0	Revaluation reserves		0	0
78	148	Brought forward from previous years		123	67
70	120	Brought forward from the profit for the year		107	56
<b>2,288</b>	<b>2,708</b>	<b>TOTAL</b>		<b>2,708</b>	<b>2,288</b>
<b>55,706</b>	<b>63,473</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	32	<b>63,430</b>	<b>55,692</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
6,398	7,079	Guarantees	26	7,401	6,851
2,882	3,475	Other liabilities	27	3,452	2,882
<b>9,280</b>	<b>10,554</b>	<b>TOTAL OFF-BALANCE SHEET ITEMS</b>		<b>10,853</b>	<b>9,733</b>

	2001	2000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Interest and fees received	2,885	2,435
Interest and fees paid	(2,349)	(1,965)
Other ordinary payments received	26	55
Costs paid in respect of staff and suppliers	(413)	(340)
Taxes paid, net	(85)	(30)
<b>TOTAL</b>	<b>64</b>	<b>155</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Loans and advances, net	(5,205)	(3,995)
Net investment in bonds	(935)	(6,224)
Net payments received from shares and participating interests	86	(47)
Net investment in tangible assets	(55)	(200)
Costs related to divestment of undertaking	-	(7)
<b>TOTAL</b>	<b>(6,109)</b>	<b>(10,473)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Debt to credit institutions and central banks	6,845	7,087
Deposits, net	(950)	218
Short-term debt raised/settled, net	(166)	132
Capital injection	300	-
Subordinated debt	300	-
<b>TOTAL</b>	<b>6,329</b>	<b>7,437</b>
<b>Total cash flow</b>	<b>284</b>	<b>(2,881)</b>
Cash and cash equivalents, beginning of year	14,614	17,508
Currency translation adjustment of cash at bank and in hand	(374)	(13)
<b>CASH AND CASH EQUIVALENTS, YEAR-END</b>	<b>14,524</b>	<b>14,614</b>
Cash and cash equivalents, year-end, consist of:		
Cash in hand and demand deposits with central banks	82	31
Balances due from credit institutions and central banks	14,442	14,583
<b>CASH AND CASH EQUIVALENTS, YEAR-END</b>	<b>14,524</b>	<b>14,614</b>



2000	2001		2001	2000
<b>1. INTEREST RECEIVABLE</b>				
1,221	902	Balances due from credit institutions and central banks	901	1,459
1,087	1,256	Loans and advances	1,238	774
868	1,304	Bonds	1,302	865
(35)	(178)	Total derivative financial instruments	(178)	(35)
		of which:		
21	(6)	Foreign exchange contracts	(6)	21
(56)	(172)	Interest rate contracts	(172)	(56)
1	1	Other	1	1
<b>3,142</b>	<b>3,285</b>	<b>Total interest receivable</b>	<b>3,264</b>	<b>3,064</b>
		Of which interest receivable from genuine purchase and resale transactions entered as:		
1,047	583	Balances due from credit institutions and central banks	583	1,047
178	211	Loans and advances	211	178
<b>2. INTEREST PAYABLE</b>				
2,148	2,132	Credit institutions and central banks	2,127	2,148
540	644	Deposits	647	508
26	41	Subordinated debt	41	26
3	1	Other	0	2
<b>2,717</b>	<b>2,818</b>	<b>Total interest payable</b>	<b>2,815</b>	<b>2,684</b>
		Of which interest payable on genuine sale and repurchase transactions entered as:		
1,205	957	Credit institutions and central banks	957	1,205
79	109	Deposits	109	79
<b>3. DIVIDEND</b>				
2	13	Shares	13	2
<b>2</b>	<b>13</b>	<b>Total dividend on shares and other participating interests</b>	<b>13</b>	<b>2</b>
<b>4. VALUE ADJUSTMENTS</b>				
113	(6)	Bonds	(6)	112
15	(2)	Shares	(2)	15
7	1	Fixed-rate loans and advances	0	0
(10)	16	Foreign exchange	16	(10)
(126)	57	Total derivative financial instruments	57	(126)
		of which:		
0	11	Foreign exchange contracts	11	0
(126)	46	Interest rate contracts	46	(126)
0	0	Equity contracts	0	0
<b>(1)</b>	<b>66</b>	<b>Total value adjustments</b>	<b>65</b>	<b>(9)</b>
-	-	of which pooled schemes	-	-
<b>5. OTHER OPERATING INCOME</b>				
50	-	Profit on sale of land	-	-
3	26	Other operating income	26	2
<b>53</b>	<b>26</b>	<b>Total other operating income</b>	<b>26</b>	<b>2</b>

2000	2001		2001	2000
<b>6. INCOME FROM FOREIGN ENTITIES</b>				
		Foreign entities' share of the results for the year generated by interest receivable, fees, value adjustments and other operating income:		
62	3	Nykredit Finance plc, UK	-	-
21	0	Frankfurter Bodenkreditbank AG, Germany	-	-
<b>83</b>	<b>3</b>	<b>Total income from foreign entities</b>	<b>-</b>	<b>-</b>
<b>7. STAFF COSTS AND ADMINISTRATIVE EXPENSES</b>				
6	5	Executive Board	5	6
0	0	Board of Directors	0	0
<b>6</b>	<b>5</b>	<b>Total</b>	<b>5</b>	<b>6</b>
		Staff costs		
144	156	Wages and salaries	131	120
15	17	Pensions	15	12
16	15	Social security costs	13	14
<b>175</b>	<b>188</b>	<b>Total</b>	<b>159</b>	<b>146</b>
159	205	Other administrative expenses	194	142
<b>340</b>	<b>398</b>	<b>Total staff costs and administrative expenses</b>	<b>358</b>	<b>294</b>
<b>8. NUMBER OF STAFF</b>				
283	299	Average number of staff for the financial year (full-time equivalents)	252	237
<b>9. AUDIT FEES</b>				
3	2	Total fees to the auditors appointed by the Annual General Meeting, carrying out the statutory audit	1	1
1	0	of which services other than audit	0	0
<b>10. OTHER OPERATING EXPENSES</b>				
34	-	Expenses related to the divestment of subsidiary undertaking	-	27
26	2	Other operating expenses	1	26
<b>60</b>	<b>2</b>	<b>Total other operating expenses</b>	<b>1</b>	<b>53</b>
<b>11. PROFIT/LOSS FROM PARTICIPATING INTERESTS IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS</b>				
-	-	Profit/loss from participating interests in associated undertakings	(1)	-
-	-	Profit/loss from participating interests in subsidiary undertakings	19	83
-	-	<b>Total profit/loss from participating interests in associated and subsidiary undertakings</b>	<b>18</b>	<b>83</b>

2000	2001		2001	2000
<b>12. TAX</b>				
46	40	Tax assessed on income for the year	40	46
(12)	2	Deferred tax	2	(12)
8	0	Adjustment of tax assessed for previous years	0	8
-	2	Tax on provisioning account	2	-
<b>42</b>	<b>44</b>	<b>Total tax</b>	<b>44</b>	<b>42</b>
<b>Effective tax rate:</b>				
32.0%	30.0%	Current tax rate	30.0%	32.0%
9.0%	(0.8%)	Other non-liable income and non-deductible expenses	(0.8%)	9.0%
		Difference in tax rates of foreign entities from Danish tax rate	0.1%	(5.0%)
(5.0%)	0.1%	Adjustment of tax assessed for previous years	0.0%	(6.0%)
(6.0%)	0.0%	Adjustment of deferred tax for previous years	(2.8%)	7.0%
7.0%	(2.8%)	Other adjustments	0.5%	-
-	0.5%			
<b>37.0%</b>	<b>27.0%</b>	<b>Total effective tax rate</b>	<b>27.0%</b>	<b>37.0%</b>
DKK 14m (2000: DKK 16m) of capitalised deferred tax has been entered as "Other assets". The tax asset has been recorded in the balance sheet at 30% of the underlying difference between accounting and tax values. The amount has not been discounted.				
<b>13. BALANCES DUE FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
204	1,002	Balances at call due from central banks	1,002	204
14,379	13,440	Balances due from credit institutions	13,427	14,376
<b>14,583</b>	<b>14,442</b>	<b>Total balances due from credit institutions and central banks</b>	<b>14,429</b>	<b>14,580</b>
<b>Distribution by remaining term to maturity:</b>				
6,374	9,217	Demand deposits	9,204	6,371
7,549	4,934	Up to 3 months	4,934	7,549
587	291	3 months and up to 1 year	291	587
73	0	1 year and up to 5 years	0	73
0	0	Over 5 years	0	0
<b>14,583</b>	<b>14,442</b>	<b>Total</b>	<b>14,429</b>	<b>14,580</b>
<b>14. LOANS AND ADVANCES</b>				
4,445	4,541	At call	5,119	4,957
5,494	7,872	Up to 3 months	7,853	5,488
2,406	3,123	3 months and up to 1 year	3,047	2,380
2,897	3,990	1 year and up to 5 years	3,753	2,744
1,896	2,794	Over 5 years	2,449	1,469
<b>17,138</b>	<b>22,320</b>	<b>Total</b>	<b>22,221</b>	<b>17,038</b>
<b>15. BONDS</b>				
20,298	22,807	Quoted	22,763	20,273
-	-	Other	-	-
<b>20,298</b>	<b>22,807</b>	<b>Total bonds</b>	<b>22,763</b>	<b>20,273</b>
-	-	Of which own bonds	-	-
In relation to Danmarks Nationalbank and international clearing centres, bonds for a nominal amount of DKK 2,087m have been deposited as security. At 31 December 2000, this amount came to DKK 3,999m.				

2000	2001		2001	2000
<b>16. SHARES</b>				
12	6	Shares/units quoted on the Copenhagen Stock Exchange	6	12
1	0	Shares/units quoted on other stock exchanges	0	1
3	4	Other shares	4	3
36	28	Other participating interests	28	36
<b>52</b>	<b>38</b>	<b>Total shares</b>	<b>38</b>	<b>52</b>
2	2	Of which fixed asset investments	2	2
<b>17. CURRENT ASSET INVESTMENTS</b>				
20,347	22,845	a. Current asset investments marked to market	22,801	20,322
9	(19)	b. The market value of current asset investments under (a) exceeds the cost of these assets at balance sheet date by	(19)	9
0	0	c. Current asset investments not marked to market	0	0
0	0	d. The market value of current asset investments under (c) exceeds the cost of these assets at balance sheet date by	0	0
<b>18. FIXED ASSET INVESTMENTS</b>				
<b>Participating interests in associated undertakings:</b>				
-	-	<b>Total cost, beginning of year</b>	<b>4</b>	-
-	-	Currency translation adjustment	-	-
-	-	Additions	7	4
-	-	Disposals	-	-
-	-	<b>Total cost, year-end</b>	<b>11</b>	<b>4</b>
-	-	<b>Revaluations and write-downs, beginning of year</b>	-	-
-	-	Currency translation adjustment	-	-
-	-	Loss	(1)	-
-	-	Disposals	-	-
-	-	Other movements in capital	-	-
-	-	<b>Revaluations and write-downs, year-end</b>	<b>(1)</b>	-
-	-	<b>Participating interests in Parent Company</b>	-	-
-	-	<b>Book value of fixed asset investments, year-end</b>	<b>10</b>	<b>4</b>
-	-	of which credit institutions	-	-
-	-	<b>Book value of fixed asset investments, beginning of year</b>	<b>4</b>	-
-	-	of which credit institutions	-	-
<b>Participating interests in subsidiary undertakings:</b>				
-	-	<b>Total cost, beginning of year</b>	<b>91</b>	<b>378</b>
-	-	Currency translation adjustment	1	0
-	-	Additions	-	25
-	-	Disposals	-	312
-	-	<b>Total cost, year-end</b>	<b>92</b>	<b>91</b>

2000	2001		2001	2000
<b>18. FIXED ASSET INVESTMENTS (CONTINUED)</b>				
-	-	<b>Revaluations and write-downs, beginning of year</b>	<b>37</b>	<b>66</b>
-	-	Currency translation adjustment	1	-
-	-	Profit	13	63
-	-	Dividend	-	109
-	-	Disposals	-	-
-	-	Other movements in capital	-	17
-	-	<b>Revaluations and write-downs, year-end</b>	<b>51</b>	<b>37</b>
-	-	<b>Participating interests in Parent Company</b>	-	-
-	-	<b>Total fixed asset investments, year-end</b>	<b>143</b>	<b>129</b>
-	-	of which credit institutions	57	51
-	-	<b>Total fixed asset investments, beginning of year</b>	<b>129</b>	<b>444</b>
-	-	of which credit institutions	51	292
<b>Other participating interests:</b>				
2	2	<b>Total cost, beginning of year</b>	<b>2</b>	<b>2</b>
0	0	Additions	-	-
2	2	<b>Total cost, year-end</b>	<b>2</b>	<b>2</b>
0	0	<b>Revaluations and write-downs, beginning of year</b>	<b>0</b>	<b>0</b>
0	0	Revaluations for the year	0	0
0	0	<b>Revaluations and write-downs, year-end</b>	<b>0</b>	<b>0</b>
2	2	<b>Total fixed asset investments, year-end</b>	<b>2</b>	<b>2</b>
2	2	<b>Book value, beginning of year</b>	<b>2</b>	<b>2</b>
<b>19. TANGIBLE ASSETS - LAND AND BUILDINGS</b>				
5	208	<b>Total cost, beginning of year</b>	<b>204</b>	<b>0</b>
-	-	Currency translation adjustment	-	-
209	55	Additions	51	204
6	-	Disposals	-	-
208	263	<b>Total cost, year-end</b>	<b>255</b>	<b>204</b>
3	0	<b>Property revaluations, beginning of year</b>	<b>0</b>	<b>0</b>
0	-	Currency translation adjustment	-	-
3	-	Reversed revaluations	-	-
0	0	<b>Property revaluations, year-end</b>	<b>0</b>	<b>0</b>
0	0	<b>Depreciation and write-downs, beginning of year</b>	<b>0</b>	<b>0</b>
-	-	Currency translation adjustment	-	-
0	1	Depreciation for the year	1	-
0	-	Reversal of depreciation and write-downs	-	-
0	1	<b>Depreciation and write-downs, year-end</b>	<b>1</b>	<b>0</b>
208	262	<b>Land and buildings, year-end</b>	<b>254</b>	<b>204</b>
8	208	<b>Book value, beginning of year</b>	<b>204</b>	<b>0</b>
-	157	<b>Latest public land assessment</b>	<b>157</b>	-

Public land assessments have not been carried out in respect of all Danish properties. Unassessed properties have been entered at cost. Of the book value at year-end operating lease assets came to DKK 254m (end-2000: DKK 204m).



2000	2001		2001	2000
<b>19. TANGIBLE ASSETS - MACHINERY AND EQUIPMENT</b>				
<b>66</b>	<b>31</b>	<b>Total cost, beginning of year</b>	<b>29</b>	<b>41</b>
0	-	Currency translation adjustment	-	-
2	4	Additions	3	1
37	22	Disposals	22	13
<b>31</b>	<b>13</b>	<b>Total cost, year-end</b>	<b>10</b>	<b>29</b>
<b>51</b>	<b>21</b>	<b>Depreciation and write-downs, beginning of year</b>	<b>20</b>	<b>28</b>
0	-	Currency translation adjustment	-	-
6	4	Depreciation for the year	4	5
36	19	Reversal of depreciation and write-downs	19	13
<b>21</b>	<b>6</b>	<b>Depreciation and write-downs, year-end</b>	<b>5</b>	<b>20</b>
<b>10</b>	<b>7</b>	<b>Machinery and equipment, year-end</b>	<b>5</b>	<b>9</b>
<b>15</b>	<b>10</b>	<b>Machinery and equipment, beginning of year</b>	<b>9</b>	<b>13</b>
<b>2</b>	<b>14</b>	<b>Amount fully written off at the time of acquisition</b>	<b>14</b>	<b>2</b>
<b>20. DEBT TO CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
3,735	2,000	Debt to central banks	2,000	3,735
32,532	40,233	Debt to credit institutions	40,175	32,470
<b>36,267</b>	<b>42,233</b>	<b>Total debt to credit institutions and central banks</b>	<b>42,175</b>	<b>36,205</b>
<b>Distribution by remaining term to maturity:</b>				
4,319	19,970	On demand	20,020	4,257
29,344	18,544	Up to 3 months	18,461	29,344
2,604	3,713	3 months and up to 1 year	3,694	2,604
-	4	1 year and up to 5 years	0	-
-	2	Over 5 years	0	-
<b>36,267</b>	<b>42,233</b>	<b>Total</b>	<b>42,175</b>	<b>36,205</b>
<b>21. DEPOSITS</b>				
1,961	2,788	Demand deposits	2,834	2,041
0	1	Deposits at notice	1	0
7,609	5,786	Time deposits	5,786	7,609
88	150	Special deposit categories	150	88
<b>9,658</b>	<b>8,725</b>	<b>Total deposits</b>	<b>8,771</b>	<b>9,738</b>
<b>Distribution by remaining term to maturity:</b>				
1,961	2,788	Demand deposits	2,834	2,041
<b>Deposits at notice:</b>				
7,166	5,772	Up to 3 months	5,772	7,166
477	20	3 months and up to 1 year	20	477
22	20	1 year and up to 5 years	20	22
32	125	Over 5 years	125	32
<b>9,658</b>	<b>8,725</b>	<b>Total</b>	<b>8,771</b>	<b>9,738</b>

2000	2001		2001	2000
<b>22. PROVISIONS FOR LIABILITIES</b>				
-	-	Provisions for pension liabilities, etc	-	-
55	22	Provisions for losses in connection with legal actions	22	55
-	-	Other provisions for liabilities	-	-
<b>55</b>	<b>22</b>	<b>Total provisions for liabilities</b>	<b>22</b>	<b>55</b>
<b>23. SUBORDINATED DEBT</b>				
<b>500</b>	<b>800</b>	Subordinated debt consists of liabilities which in case of the Bank's voluntary or compulsory winding-up, in compliance with the terms of the loan, will not be repaid until after the claims of ordinary creditors have been met.	<b>800</b>	<b>500</b>
		The subordinated loan of DKK 500m will fall due in full in 2006, whereas the subordinated loan of DKK 300m will fall due in 2008. The loans carry variable interest rates and will be settled at par. The subordinated loans have been granted by Nykredit A/S.		
		The subordinated loans are part of the supplementary capital in compliance with the Commercial Banks and Savings Banks Act, section 22 (1) and are included in full in the capital base.		
<b>24. MOVEMENTS IN CAPITAL</b>				
-	-	<b>Share capital, beginning of year</b>	<b>1,300</b>	<b>1,300</b>
-	-	Capital increase	100	-
-	-	<b>Share capital, year-end</b>	<b>1,400</b>	<b>1,300</b>
-	-	<b>Share premium account, beginning of year</b>	<b>840</b>	<b>840</b>
-	-	Capital increase	200	-
-	-	<b>Share premium account, year-end</b>	<b>1,040</b>	<b>840</b>
-	-	<b>Net revaluation reserve according to the equity method, beginning of year</b>	<b>25</b>	<b>101</b>
-	-	Other additions	13	15
-	-	Capital reduction	-	91
-	-	<b>Net revaluation reserve according to the equity method, year-end</b>	<b>38</b>	<b>25</b>
-	-	<b>Revaluation reserves, beginning of year</b>	<b>0</b>	-
-	-	Other additions	-	0
-	-	<b>Revaluation reserves, year-end</b>	<b>0</b>	<b>0</b>
-	-	<b>Profit brought forward, beginning of year</b>	<b>123</b>	<b>(20)</b>
-	-	Other additions	107	143
-	-	<b>Profit brought forward, year-end</b>	<b>230</b>	<b>123</b>
-	-	<b>Total capital and reserves, year-end</b>	<b>2,708</b>	<b>2,288</b>
-	-	<b>Total capital and reserves, beginning of year</b>	<b>2,288</b>	<b>2,221</b>
		<b>Share capital</b>		
		The share capital consists of 11 shares in multiples of DKK 1m. The share capital is wholly owned by Nykredit A/S.		

2000	2001		2001	2000
<b>25. CAPITAL ADEQUACY</b>				
Calculated pursuant to the Danish Financial Supervisory Authority's executive order on capital adequacy rules governing banks and certain credit institutions.				
2,272	2,694	Core capital less deduction	2,694	2,272
500	800	Supplementary capital consists of:		
0	0	Eligible subordinated debt	800	500
		Revaluation reserves	0	0
<b>500</b>	<b>800</b>	<b>Total</b>	<b>800</b>	<b>500</b>
<b>2,772</b>	<b>3,494</b>	<b>Capital base less deduction</b>	<b>3,494</b>	<b>2,772</b>
22,738	29,274	Weighted items not included in the trading book	29,281	23,180
8,120	7,797	Weighted items involving market risk	7,795	8,120
<b>30,858</b>	<b>37,071</b>	<b>Total weighted items</b>	<b>37,076</b>	<b>31,300</b>
7.3%	7.2%	Core capital less deduction as a percentage of weighted items	7.2%	7.2%
8.9%	9.4%	Capital adequacy ratio pursuant to the Danish Commercial Banks and Savings Banks Act, section 21 (1)	9.4%	8.8%
<b>26. GUARANTEES</b>				
6,318	6,851	Financial guarantees	7,173	6,771
80	228	Other guarantees	228	80
-	-	Acceptances and endorsements	-	-
<b>6,398</b>	<b>7,079</b>	<b>Total guarantees</b>	<b>7,401</b>	<b>6,851</b>
<b>27. OTHER LIABILITIES</b>				
2,506	3,142	Irrevocable loan commitments	3,119	2,506
376	333	Other liabilities	333	376
<b>2,882</b>	<b>3,475</b>	<b>Total other liabilities</b>	<b>3,452</b>	<b>2,882</b>
<b>28. CONTINGENT LIABILITIES</b>				
The operating activities involve the Bank in litigation and legal proceedings. The Bank is of the opinion that the outcome hereof will not have a material effect on its financial position.				
<b>29. GENUINE SALE AND REPURCHASE TRANSACTIONS AND GENUINE PURCHASE AND RESALE TRANSACTIONS</b>				
<b>Of the assets below genuine purchase and resale transactions represent:</b>				
7,599	6,092	Balances due from credit institutions and central banks	6,092	7,599
3,394	2,967	Loans and advances	2,967	3,394
<b>Of the liabilities below genuine sale and repurchase transactions represent:</b>				
16,355	11,547	Debt to credit institutions and central banks	11,547	16,355
1,683	743	Deposits	743	1,683
<b>Assets sold as part of genuine sale and repurchase transactions:</b>				
Recorded as assets:				
18,038	12,290	Bonds	12,290	18,038

2000	2001		2001	2000
<b>30. AMOUNTS DUE FROM AND DUE TO SUBSIDIARY AND ASSOCIATED UNDERTAKINGS</b>				
-	-	<b>Subsidiary undertakings:</b>		
		Loans and advances	382	513
-	-	<b>Total recorded as assets</b>	<b>382</b>	<b>513</b>
-	-	Debt to credit institutions	1	21
-	-	Deposits	44	59
-	-	<b>Total recorded as liabilities</b>	<b>45</b>	<b>80</b>
		<b>Associated undertakings:</b>		
-	-	Loans and advances	209	0
-	-	<b>Total recorded as assets</b>	<b>209</b>	<b>0</b>
<b>31. FIXED-RATE BALANCES</b>				
		The Nykredit Bank Group continuously hedges the interest rate risk on fixed-rate assets and liabilities using eg financial instruments. This enables the Group to control the level of its aggregate interest rate sensitivity in the light of the expected interest rate development.		
		<b>Fixed-rate balances with underlying financial instruments</b>		
		Under the accounting standards of annual accounts for banks, fixed-rate assets cannot be written up to a value exceeding the cost of acquisition, and fixed-rate liabilities cannot be marked to market.		
		Financial instruments acquired to hedge the interest rate risk involved in these fixed-rate balances have not been marked to market pursuant to the rules of the Danish Financial Supervisory Authority in order to obtain accounting symmetry. For 2001 the net value adjustment omitted came to a negative DKK 82m (2000: DKK 7m) for both the Nykredit Bank Group and Nykredit Bank.		
		<b>Book value - hedged fixed-rate assets</b>		
2,769	3,022	Balances due from credit institutions	3,022	2,769
2,303	2,020	Loans and advances	2,078	2,303
<b>5,072</b>	<b>5,042</b>	<b>Total book value</b>	<b>5,100</b>	<b>5,072</b>
		<b>Market value - hedged fixed-rate assets</b>		
-	3,052	Balances due from credit institutions	3,052	-
-	2,076	Loans and advances	2,134	-
-	<b>5,128</b>	<b>Total market value</b>	<b>5,186</b>	-
		<b>Underlying financial instruments</b>		
5,216	4,227	Nominal value	4,285	5,216
7	(82)	Market value	(82)	7
<b>32. FOREIGN EXCHANGE RISK</b>				
18,204	22,219	Total foreign exchange assets	22,219	18,234
18,514	18,611	Total foreign exchange liabilities	18,611	18,545
294	459	Foreign Exchange Indicator 1	459	294
12.9%	17.0%	Foreign Exchange Indicator 1 as a percentage of core capital less deduction	17.0%	12.9%
3	5	Foreign Exchange Indicator 2	5	3
0.1%	0.1%	Foreign Exchange Indicator 2 as a percentage of core capital less deduction	0.1%	0.1%

2000	2001		2001	2000
<b>33. INTEREST RATE RISK</b>				
<b>Interest rate risk by the Bank's currencies with the highest exposure:</b>				
(55)	(10)	DKK	(10)	(55)
20	59	SEK	59	20
(7)	21	EUR	21	(7)
43	11	USD	11	43
8	(10)	NOK	(10)	8
(4)	1	GBP	1	(4)
0	(2)	Other currencies	(2)	0
<b>5</b>	<b>70</b>	<b>Total interest rate risk on debt instruments</b>	<b>70</b>	<b>5</b>
<b>34. CREDIT RISKS</b>				
<b>Provisions:</b>				
229	210	Provisions for loans, advances and guarantee debtors, beginning of year	203	137
0	0	Currency translation adjustment of provisions, beginning of year	0	0
51	118	New provisions for the year	115	51
(19)	(86)	Reversal of provisions previously made	(82)	(9)
(27)	(76)	Provisions previously made, lost during the year	(74)	(2)
(24)	0	Other additions/disposals	0	26
<b>210</b>	<b>166</b>	<b>Total provisions for loans, advances and guarantee debtors, year-end</b>	<b>162</b>	<b>203</b>
210	166	- of which loans, advances and guarantee debtors	162	203
0	0	- of which credit institutions and other items incurring credit risk	0	0
140	113	A provisions, year-end	111	133
70	53	B provisions, year-end	51	70
0.9%	0.6%	Provision ratio	0.5%	0.8%
15	27	Non-accrual balances due, year-end	27	15
<b>Effect on operations:</b>				
32	32	Additional provisions and reversals for the year, net	33	42
1	9	Losses ascertained, not previously provided for	8	1
(3)	(2)	Received on claims previously written off	(2)	(2)
<b>30</b>	<b>39</b>	<b>Total write-offs and provisions for bad and doubtful debts</b>	<b>39</b>	<b>41</b>
<b>Loans, advances and guarantee debtors by sectors and industries as a percentage, year-end</b>				
<b>3%</b>	<b>0%</b>	<b>Public sector</b>	<b>0%</b>	<b>3%</b>
<b>Trade and industry:</b>				
4%	4%	Agriculture, hunting and forestry	4%	4%
0%	0%	Fisheries	0%	0%
16%	14%	Manufacturing industries, extraction of raw materials, utilities	14%	16%
1%	3%	Building and construction	3%	1%
6%	4%	Trade, hotels and restaurants	4%	6%
3%	2%	Transport, mail and telephone	2%	3%
16%	16%	Credit, finance and insurance	18%	18%
24%	26%	Property administration, purchase and sale, business services	26%	23%
4%	3%	Other trade and industry	3%	4%
<b>74%</b>	<b>72%</b>	<b>Total trade and industry</b>	<b>74%</b>	<b>75%</b>
<b>23%</b>	<b>28%</b>	<b>Retail customers</b>	<b>26%</b>	<b>22%</b>
<b>100%</b>	<b>100%</b>	<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
<b>Credit risk on derivative financial instruments:</b>				
<b>Positive market value after netting:</b>				
0	0	Counterparty with a risk weight of 0%	0	0
1,619	1,004	Counterparty with a risk weight of 20%	1,004	1,619
40	167	Counterparty with a risk weight of 100%	167	40
<b>Subordinated assets:</b>				
319	193	Other undertakings	193	319



2000	2001		2001	2000
<b>35. EXECUTIVE BOARD AND BOARD OF DIRECTORS</b>				
		Loans, charges, suretyships or guarantees and related securities granted to members of:		
		<b>Loans:</b>		
0	0	Executive Board	0	0
0	0	Board of Directors	0	0
		<b>Provision of security:</b>		
0	0	Executive Board	0	0
0	0	Board of Directors	0	0

### 36. INTRA-GROUP TRANSACTIONS

Important intra-group transactions prevailing in or extending into 2001 or just after the closing of the accounts between the Group's undertakings include:

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

On specific occasions Nykredit Holding A/S has provided third parties with letters of comfort. Furthermore, Nykredit Holding A/S has guaranteed some of Nykredit Bank A/S's loan commitments in respect of losses up to a predefined amount.

#### **Agreements between Nykredit Bank A/S and Nykredit A/S**

Nykredit A/S has granted subordinated debt to Nykredit Bank A/S.

Nykredit Bank A/S has granted title registration guarantees and advance loan guarantees to Nykredit A/S.

Nykredit Bank A/S advises Nykredit A/S on private equity investments.

Nykredit Bank A/S and Nykredit A/S have agreements primarily concerning securities and money market transactions, etc, commission in respect of inflow of loans granted, administration of deposits, support related to IT operations and IT development projects, joint retail sales as well as other joint activities.

#### **Agreements between Nykredit Bank A/S/Nykredit A/S and Hotelinvest Kalvebod A/S**

Nykredit Bank A/S and Nykredit A/S have supplied financing in relation to Hotelinvest Kalvebod A/S's construction of a hotel.

#### **Agreements between Nykredit Bank A/S and LeasIT A/S**

Nykredit A/S grants loans to and trade in financial contracts with LeasIT A/S.

#### **Agreements between Nykredit A/S/Nykredit Bank A/S and Jeudan A/S**

Nykredit A/S and Nykredit Bank A/S grant loans to Jeudan A/S.

**37. DERIVATIVE FINANCIAL INSTRUMENTS**

2001	Market value		Average market value*		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative
<b>Foreign exchange contracts</b>						
Forward contracts/futures, purchase	211	54	216	233	211	54
Forward contracts/futures, sale	46	190	356	194	46	190
Swaps	39	24	132	157	39	24
Options, purchased	0	0	0	0	0	0
Options, written	0	0	0	0	0	0
<b>Interest rate contracts</b>						
Forward contracts/futures, purchase	44	14	147	8	44	14
Forward contracts/futures, sale	22	54	12	183	22	54
Forward Rate Agreements, purchase	10	233	8	232	10	233
Forward Rate Agreements, sale	214	12	205	8	214	12
Swaps	805	845	561	576	805	845
Options, purchased	6	4	3	2	6	4
Options, written	4	8	2	4	4	8
<b>Equity contracts</b>						
Forward contracts/futures, sale	0	0	0	0	0	0
Options, written	0	0	0	0	0	0
<b>Total</b>	<b>1,401</b>	<b>1,438</b>	<b>1,642</b>	<b>1,597</b>	<b>1,401</b>	<b>1,438</b>

2000	Market value		Average market value*		Market value of non-guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative
<b>Foreign exchange contracts</b>						
Forward contracts/futures, purchase	221	412	703	237	221	412
Forward contracts/futures, sale	667	197	291	629	667	197
Swaps	226	289	56	72	225	289
Options, purchased	0	0	0	0	0	0
Options, written	-	-	-	-	-	-
<b>Interest rate contracts</b>						
Forward contracts/futures, purchase	249	3	167	5	249	3
Forward contracts/futures, sale	3	313	9	224	3	313
Forward Rate Agreements, purchase	5	231	192	75	5	231
Forward Rate Agreements, sale	196	4	68	189	196	4
Swaps	317	306	297	248	318	306
Options, purchased	-	-	0	0	-	-
Options, written	-	0	0	0	0	0
<b>Equity contracts</b>						
Forward contracts/futures, sale	-	-	-	-	-	-
Options, written	-	-	0	0	-	-
<b>Total</b>	<b>1,884</b>	<b>1,755</b>	<b>1,783</b>	<b>1,679</b>	<b>1,884</b>	<b>1,755</b>

\* The average market value has been computed on the basis of quarterly statements

	2001					
	37. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)					
By remaining maturity	Up to 3 months		3 months and up to 1 year		1 year and up to 5 years	
	Nominal value	Net market value	Nominal value	Net market value	Nominal value	Net market value
<b>Foreign exchange contracts</b>						
Forward contracts/futures, purchase	20,062	146	3,283	11	688	0
Forward contracts/futures, sale	16,030	(156)	2,997	12	12	0
Swaps	0	0	1,256	10	1,547	(1)
Options, purchased	344	0	77	0	0	0
Options, written	111	0	77	0	0	0
<b>Interest rate contracts</b>						
Forward contracts/futures, purchase	52,577	26	2,118	4	0	0
Forward contracts/futures, sale	49,713	(32)	2,390	0	0	0
Forward Rate Agreements, purchase	0	0	96,714	(214)	12,834	(9)
Forward Rate Agreements, sale	0	0	83,352	197	12,689	5
Swaps	20,911	(1)	37,272	(40)	43,899	(16)
Options, purchased	125	0	600	1	485	0
Options, written	0	0	400	0	1,687	(4)
<b>Equity contracts</b>						
Forward contracts/futures, purchase	0	0	0	0	0	0
Forward contracts/futures, sale	0	0	0	0	0	0

	2001				2000	
	Over 5 years		Total		Total	
By remaining maturity	Nominal value	Net market value	Nominal value	Net market value	Nominal value	Net market value
<b>Foreign exchange contracts</b>						
Forward contracts/futures, purchase	0	0	24,033	157	19,050	(191)
Forward contracts/futures, sale	0	0	19,039	(144)	18,116	470
Swaps	731	6	3,534	15	25,560	(64)
Options, purchased	0	0	421	0	333	0
Options, written	0	0	188	0	280	0
<b>Interest rate contracts</b>						
Forward contracts/futures, purchase	0	0	54,695	30	42,767	246
Forward contracts/futures, sale	0	0	52,103	(32)	49,050	(310)
Forward Rate Agreements, purchase	0	0	109,548	(223)	170,459	(226)
Forward Rate Agreements, sale	0	0	96,041	202	155,176	192
Swaps	30,705	18	132,787	(39)	92,344	11
Options, purchased	0	0	1,210	1	-	-
Options, written	0	0	2,087	(4)	8	0
<b>Equity contracts</b>						
Forward contracts/futures, purchase	0	0	0	0	-	-
Forward contracts/futures, sale	0	0	0	0	-	-
<b>Total net market value</b>				<b>(37)</b>		<b>128</b>

**38. UNSETTLED SPOT TRANSACTIONS**

The figures also apply to the Nykredit Bank Group	2001				2000
	Nominal value	Market value Positive	Market value Negative	Net market value	Net market value
Foreign exchange contracts, purchase	7,446	0	18	(18)	(12)
Foreign exchange contracts, sale	7,798	16	7	9	6
Interest rate contracts, purchase	8,533	17	4	13	2
Interest rate contracts, sale	7,745	5	14	(9)	(1)
Equity contracts, purchase	57	0	0	0	0
Equity contracts, sale	61	0	0	0	0
<b>Total</b>	<b>31,640</b>	<b>38</b>	<b>43</b>	<b>(5)</b>	<b>(5)</b>
<b>Total the year before</b>	<b>22,319</b>	<b>16</b>	<b>21</b>	<b>(5)</b>	<b>1</b>

**39. GROUP STRUCTURE**

Name and registered office	Share capital year-end	Capital and reserves year-end	Ownership	Profit/loss	Group balances due from the undertaking	Group debt to the undertaking	Group other off-balance sheet liabilities to the undertaking
<b>Consolidated subsidiaries:</b>	<b>2001 Million</b>	<b>2001 DKKm</b>	<b>%</b>	<b>2001 DKKm</b>	<b>2001 DKKm</b>	<b>2001 DKKm</b>	<b>2001 DKKm</b>
Nykredit Finance plc, Plymouth	GBP 3	42	100	4	-	43	-
Nykredit Pantebreve A/S, Copenhagen	DKK 15	41	100	3	380	1	322
Dansk Portefølje Bank A/S, Copenhagen	DKK 40	57	100	6	-	1	-
Norswood Properties Limited, Plymouth	GBP 0	2	100	0	2	-	-
<b>Associated undertakings:</b>							
LeasIT A/S, Lyngby-Taarbæk This company has been consolidated on a pro rata basis	DKK 9	26	40	(2)	209	-	-

**Directorships adopted by the Board of Directors pursuant to the Commercial Banks and Savings Banks Act, section 19d (4)**

Kim Duus, Chief Executive Officer:	Chairman of Dansk Portefølje Bank A/S, Chairman of Dansk Portefølje Administration A/S
Jes Klausby, Managing Director:	Chairman of Nykredit Pantebreve A/S

	1997	1998	1999	2000	2001	2001
<b>40. HIGHLIGHTS AND KEY RATIOS</b>						
	EUR million					
<b>SUMMARY PROFIT AND LOSS ACCOUNT</b>						
Net interest receivable	131	145	231	380	449	60
Fees and commissions receivable (net)	57	65	132	51	23	3
<b>Net income from interest and fees</b>	<b>188</b>	<b>210</b>	<b>363</b>	<b>431</b>	<b>472</b>	<b>63</b>
Value adjustments	(17)	46	52	(9)	65	9
Other operating income	0	0	0	2	26	4
Operating costs	(135)	(221)	(272)	(347)	(359)	(48)
Depreciation, amortisation and write-downs on tangible and intangible assets	(8)	(13)	(8)	(7)	(19)	(3)
Profit from participating interests in associated and subsidiary undertakings	20	29	32	83	18	2
<b>Profit before provisions</b>	<b>48</b>	<b>51</b>	<b>167</b>	<b>153</b>	<b>203</b>	<b>27</b>
Write-offs and provisions for bad and doubtful debts	(14)	(24)	(103)	(41)	(39)	(5)
<b>Profit before tax</b>	<b>34</b>	<b>27</b>	<b>64</b>	<b>112</b>	<b>164</b>	<b>22</b>
Tax	(11)	(4)	(17)	(42)	(44)	(6)
<b>Net profit for the year</b>	<b>23</b>	<b>23</b>	<b>47</b>	<b>70</b>	<b>120</b>	<b>16</b>
<b>SUMMARY BALANCE SHEET AT 31 DECEMBER</b>						
<b>Assets</b>						
Cash in hand and balances due from credit institutions	16,489	17,735	23,644	14,608	14,511	1,952
Loans and advances	3,106	4,533	8,802	17,038	22,221	2,988
Securities	5,962	8,810	15,858	20,325	22,801	3,066
Participating interests in associated and subsidiary undertakings	346	383	444	133	153	21
Other assets	795	2,726	1,607	3,588	3,744	504
<b>Total assets</b>	<b>26,698</b>	<b>34,187</b>	<b>50,355</b>	<b>55,692</b>	<b>63,430</b>	<b>8,531</b>
<b>Liabilities and equity</b>						
Debt to credit institutions and central banks	18,600	22,608	32,351	36,205	42,175	5,672
Deposits	2,366	3,560	8,475	9,738	8,771	1,180
Other liabilities	3,488	5,846	6,808	6,961	8,976	1,207
Subordinated debt	0	0	500	500	800	108
Capital and reserves	2,244	2,173	2,221	2,288	2,708	364
<b>Total liabilities and equity</b>	<b>26,698</b>	<b>34,187</b>	<b>50,355</b>	<b>55,692</b>	<b>63,430</b>	<b>8,531</b>
<b>Off-balance sheet items</b>						
Guarantees	4,703	6,949	8,576	6,851	7,401	995
Other liabilities	121	2,086	3,469	2,882	3,452	464
<b>Total off-balance sheet items</b>	<b>4,824</b>	<b>9,035</b>	<b>12,045</b>	<b>9,733</b>	<b>10,853</b>	<b>1,459</b>
<b>KEY RATIOS</b>						
Capital adequacy ratio	21.4%	13.0%	11.4%	8.8%	9.4%	
Core capital ratio	21.4%	13.0%	9.3%	7.2%	7.2%	
Return on equity after tax	1.3%	1.0%	2.2%	3.1%	4.8%	
Income/cost ratio	1.22	1.10	1.17	1.28	1.39	
Interest rate exposure	1.0%	1.2%	1.8%	0.2%	2.6%	
Number of full-time staff (average)	131	220	230	237	252	

EUR 1 = DKK 7.4357 end-2001



	1997	1998	1999	2000	2001
<b>41. KEY RATIOS</b>					
<b>The Nykredit Bank Group</b>					
<b>Capital adequacy and capital</b>					
Capital adequacy ratio	21.4%	13.0%	11.7%	8.9%	9.4%
Core capital ratio	21.4%	13.0%	9.5%	7.3%	7.2%
<b>Earnings</b>					
Return on equity before tax	1.9%	1.2%	2.9%	5.0%	6.6%
Return on equity after tax	1.3%	1.0%	2.2%	3.1%	4.8%
Income/cost ratio	1.16	1.09	1.15	1.26	1.36
<b>Market risk</b>					
Interest rate risk	1.0%	1.2%	1.8%	0.2%	2.6%
Foreign exchange position	8.9%	6.3%	3.8%	12.9%	17.0%
Foreign exchange risk	0.1%	0.0%	0.0%	0.1%	0.1%
<b>Liquidity</b>					
Excess cover relative to statutory requirements for liquidity	455.1%	195.7%	34.5%	10.6%	226.2%
<b>Credit risk</b>					
Total major exposures	410.7%	524.0%	476.2%	596.4%	459.1%
Provision ratio	1.6%	1.0%	1.1%	0.9%	0.6%
Write-offs and provisions as a percentage for the year	0.0%	0.2%	0.5%	0.1%	0.1%
Growth in loans and advances for the year	9.9%	38.0%	57.6%	7.0%	30.2%
Loans and advances relative to capital and reserves	3.3	4.7	7.2	7.5	8.2
<b>Nykredit Bank A/S</b>					
<b>Capital adequacy and capital</b>					
Capital adequacy ratio	21.4%	13.0%	11.4%	8.8%	9.4%
Core capital ratio	21.4%	13.0%	9.3%	7.2%	7.2%
<b>Earnings</b>					
Return on equity before tax	1.9%	1.2%	2.9%	5.0%	6.6%
Return on equity after tax	1.3%	1.0%	2.2%	3.1%	4.8%
Income/cost ratio	1.22	1.10	1.17	1.28	1.39
<b>Market risk</b>					
Interest rate risk	1.0%	1.2%	1.8%	0.2%	2.6%
Foreign exchange position	8.9%	6.3%	3.8%	12.9%	17.0%
Foreign exchange risk	0.1%	0.0%	0.0%	0.1%	0.1%
<b>Liquidity</b>					
Loans and advances and provisions made in respect hereof relative to deposits	131.3%	127.5%	104.2%	175.9%	255.1%
Excess cover relative to statutory requirements for liquidity	501.0%	166.3%	19.4%	9.4%	224.2%
<b>Credit risk</b>					
Total major exposures	410.7%	512.2%	470.7%	596.4%	459.1%
Share of non-accrual claims	0.0%	0.0%	0.0%	0.1%	0.1%
Provision ratio	0.0%	0.2%	0.7%	0.8%	0.5%
Write-offs and provisions as a percentage for the year	0.0%	0.2%	0.6%	0.2%	0.1%
Growth in loans and advances for the year	27.9%	46.0%	94.2%	93.6%	30.4%
Loans and advances relative to capital and reserves	1.4	2.1	4.0	7.4	8.2

Copenhagen, 19 February 2002

**EXECUTIVE BOARD**

Kim Duus

Jes Klausby

**BOARD OF DIRECTORS**

Henning Kruse Petersen  
Chairman

Peter Engberg Jensen  
Deputy Chairman

Søren Klitholm

Per Ladegaard

Søren Møller

Charlotte Baarsøe Pedersen

N.C. Petersen

Niels Ravn

Nina Smith

Peter Torndal

**Internal audit**

We have audited the consolidated accounts and the annual accounts presented by the Board of Directors and the Management for the year 2001 of Nykredit Bank A/S.

**Basis of opinion**

We have conducted our audit on the basis of the executive order by the Danish Financial Supervisory Authority on the performance of the audit in financial institutions and financial groups and in accordance with generally accepted auditing standards as applied in Denmark. During the audit, based on an evaluation of materiality and risk, we assessed procedures and verified the basis for the amounts and disclosures in the accounts.

Our audit has not resulted in any qualification.

**Opinion**

In our opinion, the accounts have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the company's and the group's assets and liabilities, financial position and profit for the year.

Copenhagen, 19 February 2002

Claus Okholm  
Chief Internal Auditor

Bjarne Frandsen  
Deputy Chief Internal Auditor

**Auditors' report**

We have audited the consolidated accounts and the annual accounts presented by the Board of Directors and the Management for the year 2001 of Nykredit Bank A/S.

**Basis of opinion**

We have planned and conducted our audit in accordance with generally accepted auditing standards as applied in Denmark to obtain reasonable assurance that the accounts are free from material misstatements. Based on an evaluation of materiality and risk, we have tested the basis and documentation for the amounts and disclosures in the accounts. Our audit includes an assessment of the accounting policies applied and the accounting estimates made by the Board of Directors and the Management. In addition, we have evaluated the overall adequacy of the presentation in the accounts.

Our audit has not resulted in any qualification.

**Opinion**

In our opinion, the accounts have been presented in accordance with the accounting provisions of Danish legislation and give a true and fair view of the company's and the group's assets and liabilities, financial position and profit for the year.

Copenhagen, 19 February 2002

**PricewaterhouseCoopers**

Otto Johnsen Gert R.L. Andersen  
State Authorised Public Accountants

**DELOITTE & TOUCHE**

Statsautoriseret Revisionsaktieselskab

Bent Hansen Anders O. Gjelstrup  
State Authorised Public Accountants

**BOARD OF DIRECTORS AND  
EXECUTIVE BOARD OF NYKREDIT BANK**

**Board of Directors**

Henning Kruse Petersen  
Chairman, Group Managing Director

Peter Engberg Jensen  
Deputy Chairman, Group Managing Director

Søren Klitholm  
Chief Dealer, staff-elected member

Per Ladegaard  
Group Managing Director

Søren Møller  
Managing Director

Charlotte Baarsøe Pedersen  
Vice President, staff-elected member

N.C. Petersen  
Managing Director

Niels Ravn  
Managing Director

Nina Smith  
Professor, appointed by the Danish  
government

Peter Torndal  
Vice President, staff-elected member

**Executive Board**

Kim Duus  
CEO

Jes Klausby  
Managing Director

*Members of the Board of Directors and Executive Board have disclosed the following directorships and executive positions in other Danish limited companies. Wholly-owned subsidiaries are not included:*

Henning Kruse Petersen  
Managing Director of Nykredit Holding A/S

Peter Engberg Jensen  
Managing Director of Nykredit Holding A/S  
Director of the Copenhagen Stock Exchange A/S  
Director of the FUTOP Clearing Centre A/S

Per Ladegaard  
Managing Director of Nykredit Holding A/S  
Chairman of Realkreditnettet A/S

Søren Møller  
Director of Fergosgården A/S

**Nykredit Bank's Executives**

Corporate Banking	Tom Ahrenst, Executive Vice President
Fixed Income	Georg Andersen, Senior Vice President
Research	John Madsen, Chief Economist
Credit & Derivatives	Henrik Dahl, Senior Vice President
Debt Capital Markets	Claus Møller, First Vice President
Investment Centre	Lars Bo Bertram, Senior Vice President
Retail Banking	Inge Bender Koch, First Vice President
Treasury	Lars Eibeholm, First Vice President
Risk Management	René Baht-Hagen, First Vice President
Credits	Søren Møller Hansen, First Vice President
Legal Department	Elisabeth Stamer, Chief Legal Advisor
Finance & Accounts	Nils Peter Sørensen, First Vice President

**Nykredit Bank A/S**

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*Retail customer service:*

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