

24 October 2013



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To NASDAQ OMX Copenhagen

Today, the Board of Directors of DLR Kredit A/S approved the Interim Report for the first three quarters of 2013.

We enclose the Interim Report for DLR Kredit A/S covering the period 1 January – 30 September 2013.

Yours sincerely

DLR Kredit A/S

Bent Andersen
Managing Director and CEO

Jens Kr. A. Møller
Managing Director

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Interim Report Q1-Q3 2013

Management's Review

Q1-Q3 2013 in headlines

- **Satisfactory financial results – DKK 434.8m before tax**
- **Core earnings improved by 18 pc compared to Q1-Q3 2012**
- **Expectations for 2013 maintained**

Profit and loss account

For Q1-Q3 2013, DLR's primary earnings driver – net interest income – which primarily comprises commission income relating to lending as well as return on the securities portfolio, amounted to DKK 1,060.1m. This constitutes an increase of 14.6 pc compared to Q1-Q3 2012 when net interest income came to DKK 924.8m. Net fees and commissions came to an expense of DKK 167.4m for Q1-Q3 2013 against an expense of DKK 151.8m for the same period in 2012.

Total costs (staff costs and administrative expenses as well as depreciation and impairment losses on tangible assets) showed a modest increase in Q1-Q3 2013 compared with Q1-Q3 2012 and came to DKK 153.0m (Q1-Q3 2012: DKK 151.6m).

In Q1-Q3 2013, DLR experienced a negative value adjustment of DKK 242.8m against a similar negative value adjustment of DKK 131.2m for the corresponding period of 2012. The negative adjustment was at the anticipated level and was caused by shorter maturities on the portfolio of short-term bonds with coupon rates exceeding market rates.

Provisions for loan and receivable impairment etc. impact the figures for Q1-Q3 2013 negatively by DKK 76.0m against an expense of DKK 54.7m in Q1-Q3 2012.

In Q1-Q3 2013, DLR generated a pre-tax profit of DKK 434.8m against DKK 450.4m in Q1-Q3 2012.

Tax on the profit for the period has been calculated at DKK 109.6m, resulting in a profit for the period of DKK 325.2m against DKK 337.2m for the corresponding period of 2012.

Lending activities in Q1-Q3 2013

DLR's total lending measured at fair value amounted to DKK 134.6bn at 30 September 2013.

In Q1-Q3 2013, net lending amounted to a negative DKK 0.4bn (nominal), against a positive DKK 0.8bn for the corresponding period of 2012.

Balance Sheet

At the end of September 2013, DLR's balance sheet amounted to DKK 141.3bn against DKK 148.9bn at the end of 2012.

Equity

At 30 September 2013, DLR's equity amounted to DKK 9,838.8m against DKK 8,968.8m at the end of 2012.

At 4 September 2013, DLR's share capital was increased by a nominal DKK 35.6m to a total nominal DKK 570.0m; the capital increase resulted in proceeds of just below DKK 545m.

Solvency

At the end of Q3 2013, DLR's capital base amounted to DKK 12,918.6m, while weighted assets have been calculated at DKK 105,246.6m, corresponding to a solvency ratio of 12.3 pc (including profit for the period) at 30 September 2013. Excluding profit for the period, the solvency ratio came to 12.0 pc.

Capital Structure

On 10 September 2013 DLR made a partial redemption of DKK 1,000.0m of the government hybrid core capital with the permission of the Danish Financial Supervisory Authority - FSA (Finanstilsynet). The partial redemption was made using funds from the proceeds from the share capital increase on 4 September 2013 and DLR generated funds.

At the end of Q3 2013, DLR's total subordinated debt thus amounted to DKK 3,081.8m. This amount consists of hybrid core capital amounting to DKK 2,081.8m and government hybrid core capital (Banking Package II) of DKK 1,000.0m.

Risk exposure

DLR's credit risk and market risk are considered limited. This is due to both a solid, legal basis and to DLR's internal credit policy guidelines. To this should be added the guarantee schemes that have been set up for DLR's various lending areas according to agreements with the banks that hold shares in DLR.

At the end of Q3 2013, approximately 90 pc of DLR's total loan portfolio was comprised by loan loss guarantees. The bulk of the loans that are not comprised by guarantees usually have a low LTV value.

Expectations for 2013

For 2013 as a whole, DLR Kredit budgets with a profit before tax in the range of DKK 525-575m. DLR Kredit's outlook is unchanged compared with the outlook announced in the Annual Report and the Stock Exchange Announcement for 2012.

Accounting Policies

DLR's Interim Report has been prepared in accordance with the accounting rules for mortgage banks issued by the Danish FSA as well as the disclosure requirements for issuers of listed bonds specified by NASDAQ OMX Copenhagen.

The accounting policies are unchanged as compared with the Annual Report 2012, except for deferred tax being provided at 22 pc in the Interim Report as a consequence of tax legislation amendments resulting from the Growth Plan of the Danish government. For further details, see the section on Accounting Policies in DLR's Annual Report 2012, which may be downloaded from www.dlr.dk.

Profit and Loss Account and Statement of Comprehensive Income for the period 1 January – 30 September 2013

Note	(DKKm)	Q1-Q3 2013	Q1-Q3 2012
1	Interest income	2,967.4	3,447.0
2	Interest expenses	(1,907.3)	(2,522.2)
	Net interest income	1,060.1	924.8
	Dividends from shares etc.	0.6	0.6
	Fee and commission income	124.0	117.6
	Fee and commission paid	(291.4)	(269.4)
	Net interest and fee income	893.3	773.6
3	Value adjustments	(242.8)	(131.2)
	Other operating income	13.3	14.3
4	Staff costs and administrative expenses	(149.4)	(147.8)
11+12	Depreciation and impairment losses, tangible assets	(3.6)	(3.8)
5	Provisions for loan and receivable impairment etc.	(76.0)	(54.7)
	Profit before tax	434.8	450.4
	Tax	(109.6)	(113.2)
	Profit for the period	325.2	337.2

Statement of Comprehensive Income

Note	(DKKm)	Q1-Q3 2013	Q1-Q3 2012
	Profit for the period	325.2	337.2
	Other comprehensive income after tax	0.0	0.0
	Total comprehensive income for the period	325.2	337.2

Balance Sheet at 30 September 2013

Note	(DKKm)	30 Sept. 2013	31 Dec. 2012
Assets			
	Cash in hand and demand deposits with central banks	22.0	122.5
	Receivables from credit institutions and central banks	1,758.2	7,122.5
7	Loans, advances and other receivables at fair value	134,567.1	135,621.5
7	Loans, advances and other receivables at amortised cost	18.6	9.2
9	Bonds at fair value	4,448.5	5,300.7
10	Shares etc.	71.5	55.0
11	Land and buildings, domicile properties	76.4	78.2
12	Other tangible assets	5.9	4.6
	Deferred tax assets	1.9	2.0
	Assets temporarily foreclosed	83.3	108.9
13	Other assets	267.1	448.0
	Prepayments	11.9	13.6
	Total assets	141,332.6	148,886.7
Liabilities and equity			
	Deposits and other liabilities	0,0	2,398.5
14	Issued bonds at fair value	119,803.2	123,417.6
15	Issued bonds at amortised cost	6,003.9	5,005.6
	Current tax liabilities	107.6	22.5
16	Other debt and payables	2,492.5	3,816.5
	Deferred income	4.8	2.9
	Total debt	128,412.0	134,663.6
	Provisions for deferred tax	0.0	0.1
	Total provisions	0.0	0.1
17	Subordinated debt	3,081.8	5,254.2
	Share capital	570.0	534.4
	Revaluation reserve	24.3	24.3
	Undistributable reserve	2,337.9	2,337.9
	Retained earnings	6,906.6	6,072.2
	Total equity	9,838.8	8,968.8
	Total liabilities and equity	141,332.6	148,886.7

Statement of Changes in Equity

(DKKm)	Share capital	Revalu- ation reserve	Undis- tributable reserve	Retained Earnings	Total
2012:					
Equity at 1.1.2012	469.9	24.3	2,337.9	4,754.0	7,586.1
Capital increase as of 31.7.2012	35.1	0.0	0.0	464.9	500.0
Capital increase as of 28.12.2012	29.4	0.0	0.0	402.6	432.0
Profit for the period	0.0	0.0	0.0	450.7	450.7
Other comprehensive income after tax	0.0	0.0	0.0	0.0	0.0
Equity at 31.12.2012	534.4	24.3	2,337.9	6,072.2	8,968.8
2013:					
Equity at 1.1.2013	534.4	24.3	2,337.9	6,072.2	8,968.8
Capital increase as of 4.9.2013	35.6	0.0	0.0	509.2	544.8
Profit for the period	0.0	0.0	0.0	325.2	325.2
Other comprehensive income after tax	0.0	0.0	0.0	0.0	0.0
Equity at 30.9.2013	570.0	24.3	2,337.9	6,906.6	9,838.8

The share capital is divided into shares of each DKK 1.00. At 4 September 2013, the share capital was increased by DKK 35.6m (nominal). DLR Kredit A/S has only one class of shares where all shares carry the same rights.

Notes to the Financial Statements

Note	(DKKm)	Q1-Q3 2013	Q1-Q3 2012
1	Interest income from:		
	Receivables from credit institutions and central banks	0.1	22.0
	Loans and advances	1,870.0	2,437.4
	Administration fees	1,052.8	942.7
	Bonds	310.3	390.7
	Other interest income	18.1	20.5
	Total interest income	3,251.3	3,813.3
	Interest from own mortgage bonds offset against interest on issued bonds	(283.9)	(366.3)
	Total	2,967.4	3,447.0
2	Interest expenses for:		
	Credit institutions and central banks	0.3	2.6
	Issued bonds	1,855.2	2,462.3
	Hybrid core capital	93.4	21.8
	Government hybrid core capital	162.1	322.3
	Senior debt	78.0	77.2
	Other interest expenses	2.2	2.3
	Total interest expenses	2,191.2	2,888.5
	Interest from own mortgage bonds offset against interest on issued bonds	(283.9)	(366.3)
	Total	1,907.3	2,522.2
	Of which interest expense from genuine sale and re-purchase transactions recognised as:		
	Payables from credit institutions and central banks	0.1	1.6
3	Value adjustments of:		
	Mortgage loans	(702.2)	167.3
	Bonds	(246.2)	(184.7)
	Shares etc.	(0.6)	0.0
	Other assets	1.0	0.1
	Foreign exchange	1.7	2.3
	Derivate financial instruments	1.5	51.5
	Issued bonds	702.0	(167.7)
	Total value adjustments	(242.8)	(131.2)

Notes to the Financial Statements

Note	(DKKm)	Q1-Q3 2013	Q1-Q3 2012
4	Staff costs and administrative expenses:		
	Salaries and remuneration to the Board of Directors and Executive Board		
	Executive Board	5.0	4.5
	Board of Directors	1.2	1.2
	Total	6.2	5.7
	The company has no pension obligations to the Board of Directors and Executive Board.		
	Staff costs		
	Salaries	61.4	60.0
	Pension costs	6.7	6.5
	Social security costs	9.4	9.4
	Total	77.5	75.9
	Other administrative expenses		
	Valuation expenses	9.2	10.8
	Office expenses etc.	32.1	32.0
	Audit, supervision etc.	7.1	7.8
	Other operating costs	17.3	15.6
	Total staff costs and administrative expenses	149.4	147.8
5	Provisions and impairment losses for loan and receivable impairment etc.		
	Impairment losses for the period	(47.6)	(69.5)
	Recovery of debt previously written off	1.1	1.5
	Provisions for the period	(165.5)	(125.9)
	Reversal of provisions	136.0	139.2
	Total provisions and impairment losses for loan and receivable impairment etc.	(76.0)	(54.7)

Notes to the Financial Statements

Note	(DKKm)	30 Sept. 2013	31 Dec. 2012
6	Provisions for loan and receivable impairment etc.		
	Individual provisions		
	Provisions, loans and guarantees, beginning-of-year	287.8	262.4
	Provisions during the period	162.4	153.1
	Reversal of provisions	(120.3)	(127.7)
	Provisions, end-of-period	329.9	287.8
	Collective provisions		
	Provisions, loans and guarantees, beginning-of-year	57.1	87.5
	Provisions during the period	3.1	2.8
	Reversal of provisions	(15.7)	(33.2)
	Provisions, end-of-period	44.5	57.1
	Total provisions for loan and receivable impairment etc., end-of-period	374.4	344.9
7	Loans and advances		
	Mortgage loans, nominal value	133,566.5	133,877.0
	Adjustment for interest risk etc.	1,209.9	1,909.7
	Adjustment for credit risk	(339.8)	(321.7)
	Total mortgage loans at fair value	134,436.6	135,465.0
	Arrears and outlays	130.5	156.5
	Other loans and advances	18.6	9.2
	Total loans and advances	134,585.7	135,630.7
	Pursuant to special legislation, a government guarantee of DKK 781.0m has been provided as supplementary security for young farmers' loans. A guarantee of DKK 814.1m has been provided for advance loans. As supplementary guarantee for mortgage loans, bankers' guarantees of DKK 17,560.7m have been provided.		
8	Mortgage loans (nominal value) by property category, in pc		
	Agricultural properties	63.3	63.3
	Owner-occupied dwellings	6.2	6.1
	Subsidised rental housing properties	0.2	0.2
	Private rental housing properties	13.1	13.1
	Office and business properties	16.1	16.4
	Properties for manufacturing and manual industries	0.4	0.4
	Other properties	0.7	0.5
	Total, in pc	100.0	100,0

Notes to the Financial Statements

Note	(DKKm)	30 Sept. 2013	31 Dec. 2012
9	Bonds at fair value		
	- Own mortgage bonds	34,238.8	70,333.0
	- Other mortgage bonds	4,448.5	5,300.7
	- Other bonds	58.4	69.3
	Total bonds	38,745.7	75,703.0
	Own mortgage bonds offset against issued bonds	(34,297.2)	(70,402.3)
	Total	4,448.5	5,300.7
10	Shares etc.		
	Other shares	71.5	55.0
	Total shares etc.	71.5	55.0
11	Land and buildings		
	Domicile properties		
	Fair value, beginning-of-year	78.2	80.5
	Additions during the period	0.0	0.0
	Depreciation	(1.8)	(2.3)
	Fair value, end-of-period	76.4	78.2
12	Other tangible assets		
	Cost, beginning-of-year	32.4	34.9
	Additions during the period	3.3	2.2
	Disposals during the period	(0.3)	(4.7)
	Cost, end-of-period	35.4	32.4
	Depreciation, beginning-of-year	27.8	29.6
	Depreciation for the period	2.0	2.8
	Depreciation written back	(0.3)	(4.6)
	Depreciation, end-of-period	29.5	27.8
	Total other tangible assets	5.9	4.6
13	Other assets		
	Positive market value of derivative financial instruments etc.	52.2	67.1
	Other receivables	88.2	229.6
	Interest and commission receivable	126.7	151.3
	Total	267.1	448.0

Notes to the Financial Statements

Note	(DKKm)	30 Sept. 2013	31 Dec. 2012
14	Issued bonds at fair value		
	Mortgage bonds - nominal value	152,605.5	191,436.6
	Fair value adjustment	1,494.9	2,383.3
	Own mortgage bonds offset – at fair value	(34,297.2)	(70,402.3)
	Mortgage bonds at fair value	119,803.2	123,417.6
	Of which pre-issued	16,349.5	51,159.4
	Drawn for redemption in next term	875.9	1,847.8
15	Issued bonds at amortised cost		
	Issued bonds concerning state guaranteed senior debt	6,000.0	5,000.0
	Employee bonds	3.9	5.6
	Issued bonds at amortised cost in total	6,003.9	5,005.6
16	Other debt and payables		
	Negative market value of derivative financial instruments etc.	5.4	114.6
	Interest and commission payable	1,489.3	1,711.7
	Other payables	997.8	1,990.2
	Total	2,415.3	3,816.5
17	Subordinated debt		
	Hybrid core capital ¹⁾	2,081.8	2,099.9
	Government hybrid core capital ²⁾	1,000.0	3,154.3
	Total subordinated debt	3,081.8	5,254.2
	1) Hybrid core capital in DLR Kredit: An amount of DKK 1,300m was raised on 27 August 2012. The maturity is perpetual. The interest rate is floating and based on the six-month money market interest rate (CIBOR) with addition of 8.25 pc p.a. The total hybrid core capital can be included in the capital base at 30 September 2013. Interest: DKK 86.4m. EUR 100m raised on 16 June 2005. The loan is perpetual. The loan carries a fixed rate of 4.269 pc p.a. up to 16 June 2015 after which it will carry a floating interest rate pegged to the 3-month money market interest rate (EURIBOR) with an addition of 1.95 pc p.a. The total hybrid core capital can be included in the capital base at 30 September 2013. Interest: DKK 7.0m.		
	2) Government hybrid core capital in DLR Kredit: DKK 1,000.0m was raised on 26 June 2009. The loan is perpetual, but DLR has the option of prepayment in full or in part as from three years following the establishment. Repayment in full or in part may be effected at a price of 100 in the period 26 June 2012 – 25 June 2014. Repayment in full or in part in the period 26 June 2014 – 25 June 2015 may be effected at a price of 105, whereas the price will be 110 if repayment takes place later than on 25 June 2015. The interest rate is fixed at 9.260603 pc p.a. The total government hybrid core capital can be included in the capital base at 30 September 2013. Interest: DKK 162.1m. Extraordinary prepayments: DKK 2,154.3m		

Notes to the Financial Statements

Note					
18 Financial and operating data and Financial Ratios					
Financial and operating data, DKKm					
	2013	2012	2011	2010	2009
Profit and Loss Account	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
Net interest and fee income	893.3	773.6	649.1	462.2	570.2
Other operating income etc.	13.3	14.3	13.7	14.5	12.9
Staff costs and administrative expenses	(153.0)	(151.6)	(141.8)	(142.7)	(139.5)
Other operating costs	0.0	0.0	0.0	0.0	(12.5)
Core earnings	753.6	636.3	521.0	334.0	431.1
Provisions for loan and receivable impairment etc.	(76.0)	(54.7)	(100.2)	(99.7)	(67.1)
Value adjustments	(242.8)	(131.2)	(190.3)	58.3	78.8
Profit before tax	434.8	450.4	230.5	292.6	442.8
Profit after tax	325.2	337.2	172.3	218.8	331.7
Balance Sheet at 30 September					
Assets					
Loans and advances	134,585.7	134,763.3	133,252.1	133,610.3	129,948.0
Bonds and shares etc.	4,520.0	2,194.5	2,269.7	1,133.0	15.7
Other assets	2,226.8	4,545.5	8,916.5	3,987.9	4,074.2
Total assets	141,332.5	141,503.3	144,438.3	138,731.2	134,037.9
Liabilities and equity					
Issued bonds	125,807.1	121,056.2	119,060.4	113,995.0	117,879.9
Other debt and payables	2,604.9	6,766.3	12,476.0	12,358.8	4,628.1
Subordinated debt	3,081.8	5,257.5	5,618.5	5,622.9	5,590.2
Equity	9,838.8	8,423.3	7,283.4	6,754.5	5,939.7
Total liabilities and equity	141,332.6	141,503.3	144,438.3	138,731.2	134,037.9
Financial Ratios					
Return on equity (ROE)					
Profit before tax in pc of equity *)	4.6	5.6	3.2	4.6	7.7
Profit after tax in pc of equity *)	3.5	4.2	2.4	3.4	5.7
Costs					
Income/cost ratio *)	2.90	3.18	1.95	2.21	3.02
Income/cost ratio, excl. write-downs for impairment	4.34	4.33	3.33	3.75	4.36
Solvency					
Solvency ratio, pc (incl. profit for the period)	12.3	12.9	12.1	11.8	11.3
Solvency ratio, pc (excl. profit for the period) *)	12.0	12.6	11.9	11.5	11.0
Core capital ratio, pc (incl. profit for the period)	12.3	12.9	12.1	11.7	11.3
Core capital ratio, pc (excl. profit for the period) *)	11.9	12.5	11.9	11.5	11.0
Losses and arrears					
Arrears, period-end (DKKm)	144.8	194.7	187.1	227.0	284.8
Loss and impairment ratio for the period (pc of loan portf.) *)	0.06	0.04	0.08	0.07	0.05
Accumulated loss and impairment ratio (pc of loan portfolio)	0.28	0.25	0.26	0.26	0.17
Lending activity					
Growth in loan portfolio, pc (nominal) *)	(0.3)	1.5	1.1	1.4	5.0
New loans, gross (DKKm)	7,918	12,663	7,215	13,446	17,498
Number of new loans	3,589	5,351	2,199	3,011	4,232
Loan/equity ratio *)	13.7	16.0	18.3	20.4	21.9
Margins					
Administrative margin in pc of average loan portfolio	0.79	0.70	0.59	0.55	0.47
Foreign exchange position in pc of core capital after deductions*)	1.7	7.3	12.6	10.8	8.8

*) The financial ratios have been calculated on the basis of the definitions by the Financial Supervisory Authority.

Management's Statement on the Interim Report

Today, the Board of Directors and the Executive Board reviewed and approved the Interim Report for the period 1 January – 30 September 2013 of DLR Kredit A/S.

The Interim Report has been prepared in accordance with the accounting provisions for mortgage banks laid down by the Danish Financial Supervisory Authority and the additional disclosure requirements provided by the NASDAQ OMX Copenhagen for issuers of listed bonds.

Management's Review constitutes a fair review of the development in the Company's activities and financial position as well as a description of the most material risks and uncertainties that may influence the Company.

In our opinion, the accounting policies applied are appropriate and ensure that the Interim Financial Statements give a true and fair view of the Company's assets, liabilities, equity and financial position at 30 September 2013 and of the results of the Company's operations and cash flows for the period 1 January – 30 September 2013.

The Interim Report has not been subject to audit or review.

Copenhagen, 24 October 2013

Executive Board

Bent Andersen
Managing Director, CEO

Jens Kr. A. Møller
Managing Director

Board of Directors

Vagn Hansen
Chairman

Anders Dam
Deputy Chairman

Claus Andreasen

Ole Selch Bak

Karen Frøsig

Peter Gæmelke

Jakob G. Hald

Søren Jensen

Agnete Kjærsgaard

Lars Møller

Torben Nielsen

Benny Pedersen

Jan Pedersen

Lars Petersson