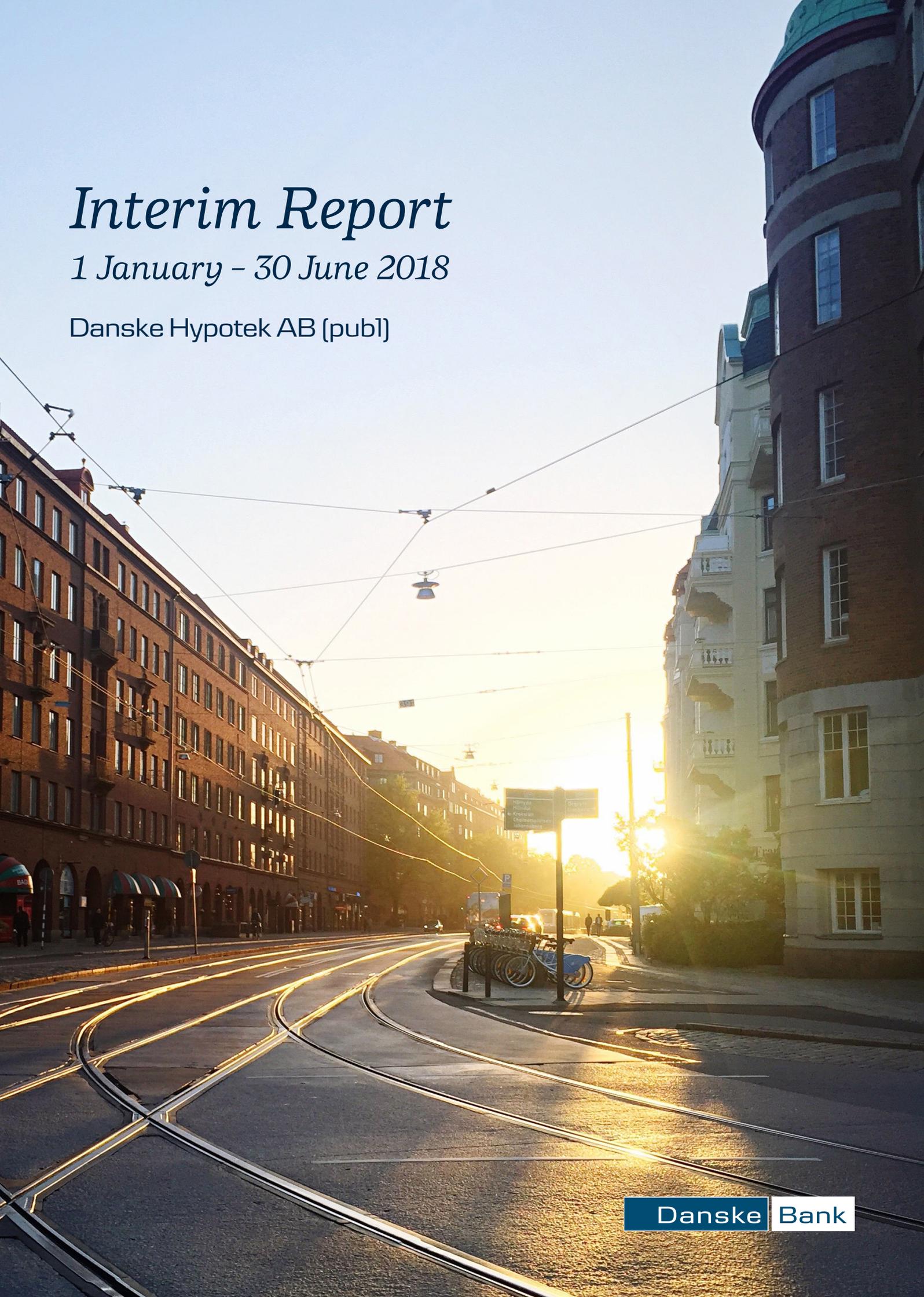


Interim Report

1 January - 30 June 2018

Danske Hypotek AB (publ)



First half-year in brief

January – June 2018

- Operating profit was SEK 330.7 million.
- Net interest income amounted to SEK 364.8 million.
- Costs comprised SEK 28.1 million.
- There were no credit losses during the period and reversals amounted to SEK 13.2 million net.
- Return on equity was 20.4%.
- The CET1 capital ratio was 44.5%.
- Danske Hypotek's covered bonds have the highest credit rating (AAA) from Standard & Poor's.

Operating profit/loss

SEK 330.7 million

Common Equity Tier 1 capital ratio

44.5 %

Net interest income/expense

SEK 364.8 million

Loans to the public

SEK 57,636 million

Operations

Danske Hypotek AB (publ) corp. ID no. 559001-4154 is a wholly owned subsidiary of Danske Bank A/S (CVR no. 611262 28). The company's operations consist of acquiring mortgage loans from Danske Bank's Swedish branch, and issuing covered bonds with mortgage loans as collateral and thereby providing the Danske Bank Group with long-term access to competitive financing in Swedish kronor (SEK). This way, the best possible conditions are

created for the Swedish branch to offer long-term competitive lending to Swedish mortgage loan customers and owners of residential properties in Sweden.

Operations are to be conducted in such a manner that they fulfil the requirements set in the Covered Bonds Issuance Act (2003:1223) and requirements set in the Swedish Financial Supervisory Authority's regulation FFFS 2013:1.

Financial development

Results overview

Amounts in SEK 000s	1 Jan. 2018– 30 June 2018	1 Jan. 2017– 30 June 2017	1 Jan. 2017– 31 Dec. 2017
Net interest income/expense	364,815	8	224,145
Net commission income	-14,079	-4	-11,614
Net income from financial transactions	-5,033	-	-23,219
Total operating income	345,703	4	189,312
Costs	-28,147	-9,704	-27,179
Profit/loss before credit losses	317,556	-9,700	162,133
Credit losses	13,180	-	-422
Operating profit/loss	330,736	-9,700	161,711
Tax	-72,762	-1,976	-37,767
Net profit or loss for the period	257,974	-11,676	123,944

Operating profit/loss

Operating profit for the first half of 2018 was SEK 330.7 million. The strong development compared with full-year 2017 is because lending grew by more than 70% compared with year-end. Operating profit for full-year 2017 was SEK 161.7 million and SEK 330.7 million for the first half of 2018, but because operations began in August 2017, there were only five active months for 2017 and the comparability is limited.

Net interest income and commissions

For the first half of 2018, net interest income amounted to SEK 364.8 million and net commissions amounted to an expense of SEK 14.1 million.

Net income from financial transactions

The net income from financial transactions at fair value amounted to an expense of SEK 5 million.

Costs

Total costs were SEK 28.1 million. Costs consisted primarily of compensation to Danske Bank for services rendered according to applicable outsourcing agreements and the company's personnel costs.

Credit losses

Reversals of credit reserves led to a positive outcome of SEK 13.2 million during the period; see Note 6.

Lending

Danske Hypotek continuously acquires already granted and disbursed mortgage loans from Danske Bank. For these loans, a pledged mortgage deed in real estate intended for residential purposes or a pledged tenant-owner right has been provided. The purpose is that the acquired loans, in

part or in whole, shall be included as collateral in the cover pool that constitutes the collateral for the issuance of covered bonds. At the end of June 2018, Danske Hypotek's lending amounted to SEK 57,636 million. The strong increase is attributable to acquisitions of larger mortgage loans in April 2018.

Information on Danske Hypotek's mortgage loans is published on the website danskehypotek.se

Borrowing

Danske Hypotek's primary source of funding is through covered bonds in the Swedish benchmark market. As a complement to this, the company also has access to financing through Danske Bank A/S in the form of a loan facility. During its first active financial year, the company launched two bonds, DH2212 (maturity 21 December 2022) and DH2112 (maturity 15 December 2021). In the first half of 2018, another bond was launched, DH2312 (maturity 20 December 2023). As of 30 June, the total outstanding bond volume was SEK 38.9 billion, of which SEK 11.5 billion in DH2112, SEK 19.1 billion in DH2212 and SEK 8.3 billion in DH2312; see the bond list in Note 11.

Capital adequacy

Danske Hypotek reports credit risk mainly in accordance with the advanced internal ratings-based (IRB) approach and operational risk and market risk according to the standardised method.

The company's total capital ratio and CET1 capital ratio amounted to 44.5% as of 30 June 2018. Profit for the period is not included in the capital base. Internally assessed capital requirements amounted to SEK 1,831 million as of 30 June 2018.

Other significant information

Risks and uncertainties

The company's operations have a low risk profile. The primary risks consist of credit risk, liquidity risk and market risk. Credit risk in the company's portfolio is low as the company only acquires mortgage loans of good quality, but the risk level can be affected by a deterioration of the Swedish economy and falling property prices.

Liquidity risk is currently very low since the maturity dates for the company's issued bonds is still far out in time; however, the liquidity risk can be negatively impacted in the future by generally deteriorating market conditions. However, through its liquidity portfolio, the company has access to liquid securities of high quality that can be used in a potential future stressed-liquidity situation.

Market risk primarily consists of interest-rate risk, which however is low because it is hedged through derivative agreements entered into with Danske Bank A/S.

Effects of IFRS 9 as of 1 January 2018

Upon the transition to IFRS 9, the net of reserves and provisions for expected credit losses increased by SEK 21.3 million. The effect reduced equity by an equivalent amount as of 1 January 2018. For more information, see Note 12.

Events after the end of the period

At the Extraordinary General Meeting on 5 July 2018, Glenn Söderholm, Berit Behring, Robert Wagner and Kim Borau were elected as new Board members in the company.

Former Board members Jakob Aarup-Andersen, Stojko Gjurovski and Christoffer Møllenbach have left the Board. Glenn Söderholm replaces Jacob Aarup-Andersen as the Chairman of the Board.

These changes are a part of a reorganization in the Danske Bank Group announced on 6 April 2018.

Income statement

Amounts in SEK thousands	Note	1 Jan. 2018 – 30 June 2018	1 Jan. 2017 – 30 June 2017	1 Jan. 2017 – 31 Dec. 2017
Interest income	2	658,571	8	382,969
Interest expenses	3	-293,756	-	-158,824
Net interest income/expense		364,815	8	224,145
Fee income		48	1	21
Fee expenses		-14,127	-5	-11,635
Net income from financial transactions	4	-5,033	-	-23,219
Total operating income		345,703	4	189,312
General administrative expenses	5	-28,083	-9,689	-27,091
Other operating expenses		-64	-15	-88
Profit before impairment charges		317,556	-9,700	162,133
Loan impairment charges	6	13,180	-	-422
Profit before tax		330,736	-9,700	161,711
Tax for the period		-72,762	-1,976	-37,767
Net profit for the period		257,974	-11,676	123,944
Items that will not be reclassified to profit or loss		-	-	-
Comprehensive income for the period		257,974	-11,676	123,944

Balance sheet

Amounts in SEK thousands	Note	30 June 2018	30 June 2017	31 Dec. 2017
ASSETS				
Assets				
Due from credit institutions	7,9	345,915	50,195	822,989
Lending to the public	8,9	57,635,635	-	33,302,270
Bonds and other interest-bearing securities	10	1,745,907	-	1,749,800
Other assets		322,254	621	5,589
Prepaid expenses and accrued income		284,226	8	41,380
TOTAL ASSETS		60,333,937	50,824	35,922,028
LIABILITIES AND EQUITY				
Liabilities				
Due to credit institutions		17,200,022	10,000	14,500,010
Issued bonds, etc.	11	39,509,592	-	19,316,870
Tax liabilities		68,537	-	35,495
Other liabilities		39,578	1,221	65,420
Accrued expenses and deferred income		412,571	8,284	37,294
Total liabilities		57,230,300	19,505	33,955,089
Equity				
Share capital		50,000	50,000	50,000
Shareholders' contribution		2,700,000	-	1,800,000
Profit/loss brought forward		95,663	-7,005	-7,005
Profit/loss for the period		257,974	-11,676	123,944
Total equity		3,103,637	31,319	1,966,939
TOTAL EQUITY AND LIABILITIES		60,333,937	50,824	35,922,028

Statement of changes in equity

Amounts in SEK thousands					
	Share capital	Shareholders' contribution	Profit/loss brought forward	Profit/loss for the year	Total equity
Opening balance 01/01/2018	50,000	1,800,000	-7,005	123,944	1,966,939
Restatement as a result of changed accounting principles, after tax; see Note 12	-	-	-21,276	-	-21,276
Reversal of previous year's profit	-	-	123,944	-123,944	-
Shareholders' contribution	-	900,000	-	-	900,000
Profit/loss for the period	-	-	-	257,974	257,974
Closing balance 30/06/2018	50,000	2,700,000	95,663	257,974	3,103,637

Share capital on the balance sheet date is represented by 500,000 class A shares of a nominal SEK 100. No change occurred during the year.

Opening balance 01/01/2017	50,000	-	-	-7,005	42,995
Reversal of previous year's profit	-	-	-7,005	7,005	-
Profit/loss for the period	-	-	-	-11,676	-11,676
Closing balance 30/06/2017	50,000	-	-7,005	-11,676	31,319

Share capital on the balance sheet date is represented by 500,000 class A shares of a nominal SEK 100. No change occurred during the year.

Opening balance 01/01/2017	50,000	-	-	-7,005	42,995
Reversal of previous year's profit	-	-	-7,005	7,005	-
Shareholders' contribution	-	1,800,000	-	-	1,800,000
Profit/loss for the year	-	-	-	123,944	123,944
Closing balance 31/12/2017	50,000	1,800,000	-7,005	123,944	1,966,939

Share capital on the balance sheet date is represented by 500,000 class A shares of a nominal SEK 100. No change occurred during the year.

Cash flow statement

Amounts in SEK thousands	1 Jan. 2018 – 30 June 2018	1 Jan. 2017 – 30 June 2017	1 Jan. 2017 – 31 Dec. 2017
Operating activities			
Operating profit/loss	330,736	-9,700	161,711
Adjustments for non-cash items, etc.	-95,127	-	-13,951
Cash flow from operating activities before changes in working capital	235,609	-9,700	147,760
Change in operating activity assets			
Change in lending to the public	-24,346,545	-	-33,301,848
Change in other investment assets	70,758	-	-1,734,140
Change in other assets	-559,511	-600	-44,964
Change in operating activity liabilities			
Change in due to/from credit institutions	2,700,012	10,000	14,500,010
Change in tax liabilities	-39,720	-	-2,272
Change in other liabilities	152,918	1,025	153,448
Cash flow from operating activities	-22,022,088	10,425	-20,429,766
Financing activities			
Shareholders' contributions received	900,000	-	1,800,000
Change in issued bonds	20,409,405	-	19,255,525
Cash flow from financing activities	21,309,405	-	21,055,525
Cash flow for the period	-477,074	725	773,519
Cash and cash equivalents at the beginning of the year	822,989	49,470	49,470
Cash and cash equivalents at year-end	345,915	50,195	822,989

Reconciliation of liabilities attributable to financing activities

Amounts in SEK thousands	Closing balance 2017	Cash flow from financing activities	Effect of changed exchange rate*	Change in fair value*	Closing balance 30 June 2018
New issue	49,500	-	-	-	49,500
Shareholders' contributions received	1,800,000	900,000	-	-	2,700,000
Issued bonds	19,316,870	20,409,405	-	-216,683	39,509,592
Total	21,166,370	21,309,405	-	-216,683	42,259,092
Amounts in SEK thousands	Closing balance 2016	Cash flow from financing activities	Effect of changed exchange rate*	Change in fair value*	Closing balance 30 June 2017
New issue	49,500	-	-	-	49,500
Total	49,500	-	-	-	49,500
Amounts in SEK thousands	Closing balance 2016	Cash flow from financing activities	Effect of changed exchange rate*	Change in fair value*	Closing balance 2017
New issue	49,500	-	-	-	49,500
Shareholders' contributions received	-	1,800,000	-	-	1,800,000
Issued bonds	-	19,255,525	-	61,345	19,316,870
Total	49,500	21,055,525	-	61,345	21,166,370

*Non-cash changes.

Cash flow statement Continuation

Cash and cash equivalents	30 June 2018	30 June 2017	31 Dec. 2017
Cash and cash equivalents consist of loans to credit institutions	345,915	50,195	822,989
Total	345,915	50,195	822,989

Interest, etc.	1 Jan. 2018 – 30 June 2018	1 Jan. 2017 – 30 June 2017	1 Jan. 2017 – 31 Dec. 2017
Interest received	453,194	8	341,670
Interest paid	-226,506	-	-133,194
Total	226,688	8	208,476

Adjustment for non-cash items	30 June 2018	30 June 2017	31 Dec. 2017
Loan impairment charges	13,180	-	-422
Unrealised changes in value	-108,307	-	-13,529
Total	-95,127	-	-13,951

Capital

Amounts in SEK million	30 June 2018	30 June 2017*	31 Dec. 2017
Total equity	2,846**	-	1,843
CET1 capital before legislative adjustments	2,846	-	1,843
Further value adjustments	-10	-	-8
Negative amounts as a result of calculation of expected loss amounts	-	-	-20
Other legislative adjustments	-	-	-
CET1 capital	2,835	-	1,815
Tier 1 capital contribution: Instruments and provisions	-	-	-
Tier 1 capital contribution: Legislative adjustments	-	-	-
Tier 1 capital	2,835	-	1,815
Tier 2 capital	-	-	-
Positive amounts as a result of calculation of expected loss amounts	3	-	-
Other legislative adjustments	-	-	-
Total capital	2,838	-	1,815
Total risk-weighted assets	6,372	-	4,317
CET1 capital (as a percentage of the risk-weighted exposure amount)	44.50%	-	42.00%
Tier 1 capital (as a percentage of the risk-weighted exposure amount)	44.50%	-	42.00%
Total capital (as a percentage of the risk-weighted exposure amount)	44.50%	-	42.00%

* Not applicable to 30 June 2017 as the activities requiring permits began in August 2017.

** Profit for the period is not included in the capital base.

Risk exposure amounts and risk weights

Amounts in SEK million	30 June 2018		30 June 2017*		31 Dec. 2017	
	Risk exposure amount	Average risk weight (%)	Risk exposure amount	Average risk weight (%)	Risk exposure amount	Average risk weight (%)
Credit risks						
Institutions	-	-	-	-	-	-
Corporate customers	-	-	-	-	-	-
Household exposure	4,586	8	-	-	2,252	7
Advanced IRC method, total	4,586	8	-	-	2,252	7
Standardised method for credit risk, total	377	16	-	-	1,241	28
Credit risk, total	4,963		-	-	3,493	
Counterparty risk, total	328	50	-	-	26	
Market risk, total	-		-		-	
Operational risk, total	1081		-		798	
Total risk exposure amount	6,372		-		4,317	
CET1 capital	2,835		-		1,815	
Total capital	2,838		-		1,815	
Common Equity Tier 1 capital ratio	44.50%		-		42.00%	
Total capital ratio	44.50%		-		42.00%	
Capital requirement	1,831		-		1,095	
Capital ratio	28.70%		-		25.40%	
Capital ratio including combined buffer	33.20%		-		29.80%	

* Not applicable to 30 June 2017 as the activities requiring permits began in August 2017.

Capital adequacy

Amounts in SEK million	30 June 2018	30 June 2017*	31 Dec. 2017
Leverage ratio			
Total exposure for leverage ratio calculation	60,451	-	35,955
- of which derivatives	657	-	52
- of which securities	1,746	-	1,750
- of which items off the balance sheet	-	-	-
Tier 1 capital (transitional rules)	2,835	-	1,815
Tier 1 capital (fully phased in rules)	2,835	-	1,815
Leverage ratio (transitional rules), [%]	4.7%	-	5.0%
Leverage ratio (fully phased in rules)	4.7%	-	5.0%

* Not applicable to 30 June 2017 as the activities requiring permits began in August 2017.

Note 1 Accounting principles

Amounts in SEK thousands unless otherwise indicated

Danske Hypotek's interim report is prepared in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies (995:1559), the Swedish Financial Supervisory Authority's regulations and general guidelines FFFS 2008:25 Annual Reports in Credit Institutions and Securities Companies, the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and statements issued by the Swedish Financial Reporting Board. In accordance with the Swedish Financial Supervisory Authority's general guidelines, Danske Hypotek applies so-called statutory IFRS. This means that the International Financial Reporting Standards and interpretations of these standards that have been adopted by the EU have been applied to the extent possible within the scope of national laws and regulations and the connection between accounting and taxation. The reporting currency is Swedish kronor (SEK).

REGULATORY AMENDMENTS INTRODUCED DURING THE YEAR

IFRS 9 Financial Instruments has been adopted for application by the EU. The standard will be applied as of 2018. The standard comprises classification, measurement and impairment of financial instruments and general hedge accounting. According to the new rules for classification and measurement, financial assets shall be classified according to fair value through profit or loss, amortised cost or fair value through other comprehensive income. No reclassifications between fair value and amortised cost occurred in the first-time application. Through the new rules on impairment, a model will be introduced based on expected credit losses and not, as the former model in IAS 39, on occurred credit losses. Further information on Danske Hypotek's accounting principles regarding IFRS 9 is presented in Note 1, pages 15-17 in the annual report for 2017. At the transition on 1 January 2018, opening balances were adjusted; see Note 12. Restatement of the comparative periods has not been done. IFRS 15 Revenue from Contracts with Customers was approved for application by the EU. Danske Hypotek applies the standard as of the 2018 financial year. IFRS 15 introduces a five-step model to determine how and when revenue recognition shall take place. The standard does not, however, apply to financial instruments, insurance agreements or leases. The new standard has not had any material impact on Danske Hypotek's financial statements, capital adequacy or large exposures. Other accounting principles and calculation methods are the same as those applied in the 2017 annual report.

UPCOMING REGULATORY CHANGES

IFRS 16 Leases has been adopted for application by the EU. The standard will be applied as of the 2019 financial year. The primary effect of the new standard is that lessees to a significantly greater extent need to capitalise leases as assets and liabilities in the balance sheet, with the associated effect that the cost in the income statement will be distributed to depreciation in the income statement and interest expenses in net financial items. Danske Hypotek's assessment is that the new standard is not expected to have any significant impact on its financial statements.

Note 2 Interest income

Amounts in SEK thousands	1 Jan. 2018 – 30 June 2018	1 Jan. 2017 – 30 June 2017	1 Jan. 2017 – 31 Dec. 2017
Lending to the public	310,120	-	168,873
Liabilities to foreign credit institutions – Group companies	40,288	8	39,380
Interest-bearing securities – bonds	60,649	-	29,841
Interest-bearing securities – underlying derivative instruments	247,400	-	144,872
Other interest income	114	-	3
Total	658,571	8	382,969

Note 3 Interest expenses

Amounts in SEK thousands	1 Jan. 2018 – 30 June 2018	1 Jan. 2017 – 30 June 2017	1 Jan. 2017 – 31 Dec. 2017
Balances with foreign credit institutions – Group companies	-12,565	-	-11,523
Interest-bearing securities – bonds	-148,944	-	-41,020
Interest-bearing securities – underlying derivative instruments	-131,937	-	-106,203
Other interest expenses	-310	-	-78
Total	-293,756	-	-158,824

Note 4 Net income from financial transactions

Amounts in SEK thousands	1 Jan. 2018 – 30 June 2018	1 Jan. 2017 – 30 June 2017	1 Jan. 2017 – 31 Dec. 2017
Capital gains/losses			
Interest-bearing securities	-	-	-8,231
Other financial instruments, derivatives	82,459	-	-1,458
Currency	3	-	0
	82,462	-	-9,689
Unrealised changes in value			
Interest-bearing securities	-284,012	-	45,684
Other financial instruments, derivatives	196,517	-	-59,214
	-87,495	-	-13,530
Total	-5,033	-	-23,219

Note 5 Administration expenses

Amounts in SEK thousands	1 Jan. 2018 – 30 June 2018	1 Jan. 2017 – 30 June 2017	1 Jan. 2017 – 31 Dec. 2017
Personnel costs	-4,795	-1,261	-6,674
Consulting fees	-1,624	-1	-937
Legal fees	-226	-681	-3,770
Purchase of administrative services	-14,981	-7,491	-13,322
Other expenses	-6,457	-255	-2,388
Total	-28,083	-9,689	-27,091
<i>Specification Personnel costs</i>			
Salaries and remuneration	-3,075	-784	-4,296
Social security contributions	-991	-251	-1,233
Pension expenses	-662	-219	-1,103
Other personnel costs	-67	-7	-42
Total	-4,795	-1,261	-6,674

Note 6 Credit losses, net*

Amounts in SEK 000s	Jan.-June 2018	Jan.-June 2017	Jan.-Dec. 2017
Lending to the public and credit institutions			
Confirmed credit losses	-	-	-
Recovery of previously confirmed credit losses	-	-	-
Previous year's reserve IAS39	-	-	-422
<i>Period's change in reserve, credit stage 1</i>	-2,503	-	-
<i>Period's change in reserve, credit stage 2</i>	15,309	-	-
<i>Period's change in reserve, credit stage 3</i>	374	-	-
Period's recoveries/credit losses, net	13,180	-	-422

* New legislation from 1 January 2018 regarding IFRS9 has affected comparability in Notes 6, 8, 9.

Note 7 Due from credit institutions

Amounts in SEK thousands	30 June 2018	30 June 2017	31 Dec. 2017
Lending in SEK			
Foreign credit institutions, Group companies	345,915	50,195	822,989
Total	345,915	50,195	822,989
Average balance, loans to credit institutions, Group companies	1,391,734	41,408	763,197
Payable on demand	345,915	50,195	822,989
-3 months	-	-	-
3-12 months	-	-	-
1-5 years	-	-	-
More than 5 years	-	-	-
Total	345,915	50,195	822,989

Note 8 Lending to the public*

Amounts in SEK thousands	30 June 2018	30 June 2017	31 Dec. 2017
Lending in SEK			
Swedish households excl. sole proprietors	53,977,905	-	30,811,959
Swedish sole proprietors	3,657,730	-	2,490,311
Total	57,635,635	-	33,302,270
Loans at cost	-	-	33,302,692
Loan impairment charges for individually assessed loans	-	-	-422
Total	-	-	33,302,270
Average balance, lending to the public	43,337,943	-	11,753,833
Unsettled loans, etc.			
Impaired loans	-	-	29,260
Loan impairment charges for individually assessed loans	-	-	-422
Loan impairment charges for collectively assessed loans	-	-	-
Impaired loans, net	-	-	28,838
Loan Impairment charges as % of impaired loans	-	-	1.44%
Proportion of impaired loans, %	-	-	0.09%
Unsettled receivables for which interest is recognised as revenue	-	-	-
Change in account for impairment charges			
Impairment charges for individually assessed loans	-	-	-
Balance at start of year	-	-	-
Loan impairment charges for the year	-	-	-938
Reversed from impairment charges made during the year	-	-	516
Balance at year end	-	-	-422
Duration for lending to the public			
Payable on demand	-	-	-
-3 months	51,302,514	-	32,467,394
3-12 months	256,164	-	153,769
1-5 years	5,964,103	-	679,669
More than 5 years	112,854	-	1,438
Total	57,635,635	-	33,302,270

* New legislation from 1 January 2018 regarding IFRS9 has affected comparability in Notes 6, 8, 9.

Note 9 Lending to the public and lending to credit institutions*

Amounts in SEK 000s	30 June 2018	30 June 2017	31 Dec. 2017
Credit stage 1			
Recognised gross amount	54,002,686	-	-
Reserve for expected credit losses	-5,023	-	-
Book value	53,997,663	-	-
Credit stage 2			
Recognised gross amount	3,967,351	-	-
Reserve for expected credit losses	-36,712	-	-
Book value	3,930,639	-	-
Credit stage 3			
Recognised gross amount	54,196	-	-
Reserve for expected credit losses	-948	-	-
Book value	53,248	-	-
Recognised gross amount (credit stage 1-3)	58,024,233	-	-
Reserve for expected credit losses (credit stage 1-3)	-42,683	-	-
Total	57,981,550	-	-

* New legislation from 1 January 2018 regarding IFRS9 has affected comparability in Notes 6, 8, 9.

Note 10 Bonds and other interest-bearing securities

Amounts in SEK thousands	30 June 2018		30 June 2017		31 Dec. 2017	
Current assets						
Swedish municipalities and county councils	659,656		-		655,385	
Other Swedish financial companies	1,086,251		-		1,094,415	
Total	1,745,907		-		1,749,800	
	Fair value	Nominal value	Fair value	Nominal value	Fair value	Nominal value
Swedish municipalities and county councils	659,656	645,000	-	-	655,385	645,000
Other Swedish financial companies	1,086,251	1,030,000	-	-	1,094,415	1,030,000
Total	1,745,907	1,675,000	-	-	1,749,800	1,675,000

Note 11 Issued bonds, etc.

Amounts in SEK thousands	30 June 2018	30 June 2017	31 Dec. 2017
Bonds in SEK	38,851,000	-	19,101,000
Total nominal value	38,851,000	-	19,101,000
Bonds in SEK	39,509,592	-	19,316,870
Total carrying amount	39,509,592	-	19,316,870
of which at amortised cost	39,292,909	-	19,378,215
Average balance issued bonds in SEK	30,176,839	-	4,164,430
Issued bonds at the end of the period	19,101,000	-	-
Issued nominal value	19,750,000	-	19,101,000
Buy backs	-	-	-
Premium/discount	441,909	-	277,215
Hedging of interest-rate risk at market value	216,683	-	-61,345
Issued bonds at the end of the period	39,509,592	-	19,316,870

Bond list, covered bonds in SEK

31 Dec. 2017

Loan no.	Interest terms, %	Loan date	Interest date	Maturity date	Outstanding amount, SEK 000s
DH2212	1%	29 Aug. 2017	21 Dec.	21 Dec. 2022	13,301,000
DH2112	1%	6 Nov. 2017	15 Dec.	15 Dec. 2021	5,800,000
					19,101,000

30 June 2018

Loan no.	Interest terms, %	Loan date	Interest date	Maturity date	Outstanding amount, SEK 000s
DH2212	1%	29 Aug. 2017	21 Dec.	21 Dec. 2022	19,051,000
DH2112	1%	6 Nov. 2017	15 Dec.	15 Dec. 2021	11,500,000
DH2312	1%	25 April 2018	20 Dec.	20 Dec. 2023	8,300,000
					38,851,000

Note 12 Effects of change in accounting principles

Restatement of balance sheet 31 December 2017 upon transition to IFRS 9 on 1 January 2018

Amounts in SEK thousands	IAS 39 31 Dec. 2017	Transition to IFRS 9	IFRS 9 1 Jan. 2018
ASSETS			
Assets			
Due from credit institutions	822,989	-	822,989
Lending to the public	33,302,270	-27,276	33,274,994
Bonds and other interest-bearing securities	1,749,800	-	1,749,800
Deferred tax assets	-	-	0
Other assets	5,589	-	5,589
Prepaid expenses and accrued income	41,380	-	41,380
TOTAL ASSETS	35,922,028	-27,276	35,894,752
LIABILITIES AND EQUITY			
Liabilities			
Due to credit institutions	14,500,010	-	14,500,010
Issued bonds, etc.	19,316,870	-	19,316,870
Tax liabilities	35,495	-6,000	29,495
Other liabilities	65,420	-	65,420
Accrued expenses and deferred income	37,294	-	37,294
Total liabilities	33,955,089	-6,000	33,949,089
Equity			
Share capital	50,000	-	50,000
Shareholders' contribution	1,800,000	-	1,800,000
Profit/loss brought forward	-7,005	-21,276	-28,281
Profit/loss for the period	123,944	-	123,944
Total equity	1,966,939	-21,276	1,945,663
TOTAL EQUITY AND LIABILITIES	35,922,028	-27,276	35,894,752

Contact

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The CEO assures that this interim report provides a true and fair view of the company's operations, financial position and performance, and describes the significant risks and uncertainties that the company faces.

Stockholm, 30 August 2018

Per Tunestam
Chief Executive Officer

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