

Kalvebod PLC

**Management Report and Condensed Unaudited Interim
Financial Statements**

For the half year ended 31 January 2015

Registered number 409286

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Directors and other information

Directors

Brian Brady (Irish)
Joseph Boyle (Irish)
Rhys Owens (Irish) - appointed on 27 February 2015
Michael Whelan (Irish) - resigned on 27 February 2015

Registered Office

<i>(From 7 November 2014)</i>	<i>(Until 6 November 2014)</i>
6th Floor	5 Harbourmaster Place
Pinnacle 2	International Financial Services Centre
Eastpoint Business Park	Dublin 1
Dublin 3	Ireland
Ireland	

**Administrator &
Company Secretary**

Deutsche International Corporate Services (Ireland) Limited	
<i>(From 20 October 2014)</i>	<i>(Until 19 October 2014)</i>
6th Floor	5 Harbourmaster Place
Pinnacle 2	International Financial Services Centre
Eastpoint Business Park	Dublin 1
Dublin 3	Ireland
Ireland	

Trustee

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

**Paying Agent, Agent Bank,
Swap Counterparty and
Custodian**

Deutsche Bank AG London
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Solicitors

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Gide Loyrette Nouel MNP
Citypoint
One Ropemaker Street
London EC2Y 9HT
United Kingdom

Interim management report

The Directors present their interim report and unaudited financial statements of Kalvebod Plc (the "Company") for the half year ended 31 January 2015.

Principal activities and key events for the first six months

The Company has established a EUR 10,000,000,000 Secured Notes Programme (the "Programme") to issue secured notes (the "Notes") and/or other secured limited recourse indebtedness (the "Alternative Investments"). The net proceeds from each issue of Notes or Alternative Investments are used to purchase the Collateral comprised in the Mortgaged Property in respect of the relevant Notes or Alternative Investments, to pay for or enter into any Credit Support Document or Swap Agreement in connection with such Notes or Alternative Investments and to pay expenses in connection with the administration of the Issuer or the issue of the Notes or Alternative Investments.

Notes pay interest at a fixed or floating percentage rate. The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information was set out in the relevant Prospectus. At the period end, the only swap in place was an Asset Swap in respect of Series 2, see further details in note 14.

The Company entered into Swap Agreements with Swap counterparties and any swap or repurchase entered into in connection with Notes of any Series by the Company are limited recourse obligations of the Issuer and the terms are set out in the relevant Prospectus.

Business review

During the half year,

- the Company's profit was Nil (2014: Nil);
- the Company did not issue any new series;
- the net gain on investment securities was DKK 37,703,184 (2014: DKK 17,951,969);
- the net loss from debt securities issued was DKK 39,918,801 (2014: DKK 20,591,971);
- the net gain from derivative financial instruments amounted to DKK 2,215,617 (2014: DKK 2,640,002); and
- the Company disposed the following:

DKK 215,000,000 nominal amount of Series 3 collaterals and its related Notes DKK 215,000,000 Fixed/Floating Rate Secured Notes due 2014;

As at 31 January 2015:

- the carrying value of the Company's total indebtedness was DKK 285,481,423 (2014: DKK 460,545,550)
- the Company had the following Notes in issue:
Series 2 DKK 314,034,559 Fixed/Floating Rate Secured Notes due 2016
- the Company had the following collaterals in issue:
Series 2 DKK 230,000,000 bearing fixed/floating interest rates

The Company's net assets were DKK 315,750 (2014: DKK 315,750).

The Company incurred DKK 6,401,417 (2014: DKK 10,407,475) as coupon on the Notes issued and earned DKK 6,756,407 (2014: DKK 11,072,461) as coupon on the investment securities.

Credit events

Following the interest default by Vestjysk Bank A/S on 1 May 2014 and 1 August 2014, the latter had posted a deposit in the form of a security which was posted as collateral in the amount of DKK 75,000,000 in favour of the Company free of charge, booked in other assets. On 10 September 2014, when all interest in arrears were received, the Company freely disposed the collateral, posted in other liabilities. There was no further credit event during the period.

Future developments

The Directors expect the current level of activity to continue in the foreseeable future. The Directors will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of notes of the Company.

Going concern

The Company's financial statements for the half year ended 31 January 2015 have been prepared on a going concern basis. The directors anticipate that the investment securities will continue to generate enough cash flow on an ongoing basis to meet the Company liabilities as they fall due. The Notes in issue as at 31 January 2015 will mature on 1 May 2016. For these reasons, the directors believe that the going concern basis is appropriate.

Results and dividends for the period

The results for the half year are set out on page 5. No dividends are recommended by the directors for the period under review (2014: Nil).

Changes in directors, secretary and registered office

On 7 November 2014, the registered office address of the Company was changed from 5 Harbourmaster place, IFSC, Dublin 1, Ireland to 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. On 27 February 2015, Michael Whelan resigned as director and was replaced by Rhys Owens on the same date. There were no further change in directors, secretary and registered office during the period and/or since the period end.

Directors, secretary and their interests

The directors who held office on 31 January 2015 did not hold any share in the Company at that date, or during the half year. There were no contracts of any significance in relation to the business of the company in which the directors had any interest, as defined in the Companies Act 1990, at any time during the half year.

Interim management report (continued)

Risk management objectives and policies

The Company is subject to various risks. The key risks facing the Company are outlined in Note 21 to the financial statements.

Principal risks and uncertainties for the remaining six months of the year

The underlying business of the Company is expected to continue in an orderly, consistent manner over the remaining six months of the year.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. All management and administration functions are outsourced to Deutsche International Corporate Services (Ireland) Limited.

Subsequent events

There has been no significant subsequent event after the period end till the date of signing of this report.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to the keeping of books of account by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at Deutsche International Corporate Services (Ireland) Limited, 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

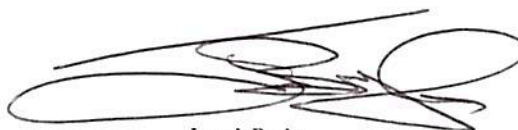
On behalf of the board



**Rhys Owens
Director**

Date:

30/03/15



**Joseph Boyle
Director**

Responsibility statement

The Directors are responsible for preparing the management report and the interim financial statements, in accordance with applicable law and regulations. The Directors confirm that, to the best of their knowledge:

- the condensed financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and results of the issuer; and
- the Interim Management Report includes a fair review of:
 - Important events that have occurred during the first six months of the year;
 - The impact of those events on the condensed financial statements; and
 - A description of the principal risks and uncertainties for the remaining six months of the financial year.

The directors further indicate that such interim financial statements for the half year ended 31 January 2015 have not been audited.

On behalf of the board



Rhys Owens
Director

Date: 30/03/15



Joseph Boyle
Director

Statement of comprehensive income
For the period 1 August 2014 to 31 January 2015

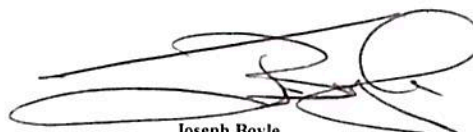
	Notes	Period ended 31-Jan-15 DKK	Period ended 31-Jan-14 DKK
Net gain on investment securities	4	44,459,591	29,024,430
Net loss on debt securities issued	5	(46,320,218)	(30,999,446)
Net gain from derivative financial instruments	6	1,860,627	1,975,016
Operating results		-	-
(Loss)/gain on foreign exchange movements	7	(864)	305
Other income	8	241,863	229,211
Other expenses	9	(240,999)	(229,516)
Operating results before income tax		-	-
Income tax expense	10	-	-
Profit for the period		-	-
Other comprehensive income		-	-
Total comprehensive income for the half year		-	-

All items dealt with in arriving at the result for the half year ended 31 January 2015 related to continuing operations.

On behalf of the board



Rhys Owens
Director



Joseph Boyle
Director

Date: 30/03/15

The notes on pages 9 to 14 form an integral part of these interim financial statements.

Statement of financial position
As at 31 January 2015

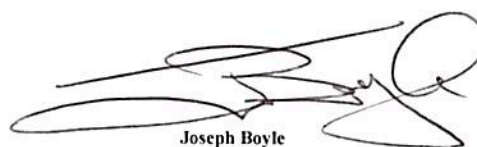
		31-Jan-15	31-Jul-14
		DKK	DKK
Assets	Notes		
Cash and cash equivalents	11	290,022	307,094
Derivative financial assets	14	78,400,807	76,185,190
Investment securities at fair value through profit or loss	12	207,370,638	384,667,454
Other receivables	13	6,667,887	79,994,858
Total assets		292,729,354	541,154,596
Liabilities			
Debt securities issued at fair value through profit or loss	15	285,771,445	460,852,644
Other payables	16	6,642,159	79,986,202
Total liabilities		292,413,604	540,838,846
Equity			
Share capital	17	298,528	298,528
Retained earnings		17,222	17,222
Shareholder's funds - equity		315,750	315,750
Total liabilities and equity		292,729,354	541,154,596

On behalf of the board



Rhys Owens
Director

Date: 30/03/15



Joseph Boyle
Director

The notes on pages 9 to 14 form an integral part of these interim financial statements.

Statement of changes in equity
For the half year ended 31 January 2015

	Share capital DKK	Retained earnings DKK	Total equity DKK
Balance as at 1 August 2013	298,528	17,222	315,750
<i>Total comprehensive income for the period</i>			
Profit for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Balance as at 31 January 2014	298,528	17,222	315,750
<i>Total comprehensive income for the period</i>			
Profit for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Balance as at 31 July 2014	298,528	17,222	315,750
<i>Total comprehensive income for the period</i>			
Profit for the period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Balance at 31 January 2015	298,528	17,222	315,750

Statement of cash flows

For the period 1 August 2014 to 31 January 2015

	Period ended 31-Jan-15 DKK	Period ended 31-Jan-14 DKK
Net cash flows from operating activities		
Profit before income tax	-	-
Adjustments for:		
Decrease/(increase) in other receivables	73,326,971	(5,247,380)
(Decrease)/increase in other payables	(73,344,043)	5,247,685
Interest income for the year *	(6,756,407)	(11,072,461)
Interest expense for the year *	6,401,417	10,407,475
Net swap income *	354,990	664,986
Net gain from derivative financial instruments	(2,215,617)	(2,640,002)
Net loss on debt securities issued	39,918,801	20,591,971
Net gain on investment securities	(37,703,184)	(17,951,969)
<i>Cash used in (generated from) operating activities</i>	<u>(17,072)</u>	<u>305</u>
Interest paid *	(6,401,417)	(10,407,475)
Derivatives paid *	<u>(354,990)</u>	<u>(664,986)</u>
Net cash used in operating activities	<u>(6,773,479)</u>	<u>(11,072,156)</u>
Cash flows from investing activities		
Disposal of investment securities	215,000,000	95,000,000
Interest received *	<u>6,756,407</u>	<u>11,072,461</u>
Net cash flows from investing activities	<u>221,756,407</u>	<u>106,072,461</u>
Cash flows from financing activities		
Redemptions of debt securities issued	<u>(215,000,000)</u>	<u>(95,000,000)</u>
Net cash used in financing activities	<u>(215,000,000)</u>	<u>(95,000,000)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(17,072)</u>	<u>305</u>

*The comparative amounts for interest income, net swap income and interest expense have been disclosed on the face of the Statement of Cash flow to comply with the requirements of paragraphs 31 and 35 of IAS 7 "Cash Flow Statement". These reclassification have no impact on the cashflow, equity and profit or loss of the Company.

Notes to the financial statements

For the period 1 August 2014 to 31 January 2015

1. General Information

Kalvebod PLC is a special purpose company incorporated and registered in Ireland with limited liability on 12 October 2005 under registered number 409286. The Company has established a EUR 10,000,000,000 Secured Notes Programme (the "Programme") to issue secured notes (the "Notes") and/or other secured limited recourse indebtedness (the "Alternative Investments"). The net proceeds from each issue of Notes (or Alternative Investments) are used to purchase the Collateral comprised in the Mortgaged Property in respect of the relevant Notes or Alternative Investments, to pay for or enter into any Credit Support Document or Swap Agreement in connection with such Notes or Alternative Investments and to pay expenses in connection with the administration of the Issuer or the issue of the Notes or Alternative Investments.

Notes pay interest at a fixed or floating percentage rate. The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information was set out in the relevant Prospectus. At the year end, the only swap in place was an Asset Swap in respect of Series 2, see further details in note 14.

The Company had entered into Swap Agreements with Swap counterparties and any swap or repurchase entered into in connection with Notes of any Series by the Company are limited recourse obligation of the Issuer and the terms are set out in the relevant Prospectus.

The debt securities are listed on the Copenhagen Stock Exchange.

The Company has no direct employees.

2. Basis of preparation

Statement of compliance

The condensed financial statements for the half year ended 31 January 2015 have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 July 2014.

3. Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 July 2014.

4. Net gain on investment securities

Designated at fair value through profit or loss

	Period ended 31-Jan-15	Period ended 31-Jan-14
	DKK	DKK
Coupon income	6,756,407	11,072,461
Net gain on investment securities	37,703,184	17,951,969
	<u>44,459,591</u>	<u>29,024,430</u>

5. Net loss on debt securities issued

Designated at fair value through profit or loss

	Period ended 31-Jan-15	Period ended 31-Jan-14
	DKK	DKK
Coupon expenses	(6,401,417)	(10,407,475)
Net loss on debt securities issued	(39,918,801)	(20,591,971)
	<u>(46,320,218)</u>	<u>(30,999,446)</u>

6. Net gain from derivative financial instruments

	Period ended 31-Jan-15	Period ended 31-Jan-14
	DKK	DKK
Net swap expense	(354,990)	(664,986)
Net gain on derivative financial instruments	2,215,617	2,640,002
	<u>1,860,627</u>	<u>1,975,016</u>

7. (Loss)/gain on foreign exchange movements

	Period ended 31-Jan-15	Period ended 31-Jan-14
	DKK	DKK
Net (loss)/gain on foreign exchange movements	(864)	305

8. Other income

	Period ended 31-Jan-15	Period ended 31-Jan-14
	DKK	DKK
Arranger income	241,863	229,211

Deutsche Bank, AG London, as arranger bears all the expenses of the Company. Arranger income is the total expenses incurred by the Company during the half year that need to be borne by Deutsche Bank AG London.

Notes to the financial statements (continued)

For the period 1 August 2014 to 31 January 2015

9. Other expenses

	Period ended 31-Jan-15 DKK	Period ended 31-Jan-14 DKK
Audit fees	(82,371)	(82,643)
Administration expenses	(67,899)	(68,521)
Directors fees	(52,087)	(52,235)
Tax fees	(22,423)	(26,117)
Legal and professional fees	(16,004)	-
Bank charges	(215)	-
	<u>(240,999)</u>	<u>(229,516)</u>

The Company is administered by Deutsche International Corporate Services (Ireland) Limited and has no employees.

	Period ended 31-Jan-15 DKK	Period ended 31-Jan-14 DKK
Auditor's remuneration (VAT inclusive)		
Statutory audit	(82,371)	(82,643)
Other assurance services	-	-
Tax advisory services	(22,423)	(26,117)
Other non-audit services	-	-
	<u>(104,794)</u>	<u>(108,760)</u>

10. Income tax expense

	Period ended 31-Jan-15 DKK	Period ended 31-Jan-14 DKK
Profit on ordinary activities before tax	-	-
Current tax at standard rate 25%	-	-
Current tax charge	<u>-</u>	<u>-</u>

The tax assessed for the period is at standard rate of corporation tax in the Republic of Ireland at a rate of 25% (2014: 25%) in accordance with Section 110 of the Taxes Consolidation Act, 1997.

Deferred tax

Any temporary differences arising on the assets will be offset by a corresponding difference in liabilities. Therefore the Company does not have any deferred tax expense.

11. Cash and cash equivalents

	31-Jan-15 DKK	31-Jul-14 DKK
Cash at bank	<u>290,022</u>	<u>307,094</u>

The cash balances are held with Deutsche Bank Amsterdam and Bank of Ireland.

12. Investment securities

	31-Jan-15 DKK	31-Jul-14 DKK
Designated as at fair value through profit or loss	<u>207,370,638</u>	<u>384,667,454</u>
Maturity analysis of investment securities		
Within 1 year	-	209,625,000
More than 1 year and less than 2 years	207,370,638	175,042,454
More than 2 years and less than 5 years	-	-
More than 5 years	-	-
	<u>207,370,638</u>	<u>384,667,454</u>
Movement in investment securities		
At beginning of period/year	384,667,454	424,524,983
Additions during the period/year	-	-
Disposals during the period/year	(215,000,000)	(195,000,000)
Net changes in fair value during the period/year	37,703,184	155,142,471
At end of period/year	<u>207,370,638</u>	<u>384,667,454</u>

Notes to the financial statements (continued)

For the period 1 August 2014 to 31 January 2015

12. Investment securities (continued)

The carrying value of the assets of the Company represents the maximum exposure to credit risk. The credit risk is eventually transferred to the Noteholders. The investment securities are held as collateral for debt securities issued by the Company.

Series	Description	Maturity date	Interest rate	31-Jan-15	31-Jan-15
				DKK	DKK
				Nominal	Fair value
Series 2	Forstædernes Bank A/S	01-May-16	3 months Cibur + 1.70%	100,000,000	90,161,147
Series 2	Gjerlev-Enslev Sparekasse	01-May-16	5.87%	10,000,000	9,016,115
Series 2	Vestjysk Bank A/S	01-May-16	5.44%	50,000,000	63,112,803
Series 2	Skjern Bank A/S	01-May-16	6.09%	70,000,000	45,080,573
					<u>207,370,638</u>
Series	Description	Maturity date	Interest rate	31-Jul-14	31-Jul-14
				DKK	DKK
				Nominal	Fair value
Series 2	Forstædernes Bank A/S	01-May-16	3 months Cibur + 1.70%	100,000,000	76,105,415
Series 2	Gjerlev-Enslev Sparekasse	01-May-16	5.87%	10,000,000	7,610,542
Series 2	Vestjysk Bank A/S	01-May-16	5.44%	50,000,000	38,052,707
Series 2	Skjern Bank A/S	01-May-16	6.09%	70,000,000	53,273,790
Series 3	Saxo Privatbank A/S	01-Nov-14	3 months Cibur + 2.60%	90,000,000	87,750,000
Series 3	Vestjysk Bank A/S	01-Nov-14	3 months Cibur + 2.60%	75,000,000	73,125,000
Series 3	Sparekassen Bredebro	01-Nov-14	3 months Cibur + 2.85%	50,000,000	48,750,000
					<u>384,667,454</u>

During the period, no disposal of investment securities was settled on a net basis against payments for debt securities being redeemed (2014: Nil).

13. Other receivables

	31-Jan-15	31-Jul-14
	DKK	DKK
Coupon receivable on investment securities	6,509,086	4,671,747
Other income receivable	158,801	323,111
Other receivables	-	75,000,000
	<u>6,667,887</u>	<u>79,994,858</u>

Other receivables of DKK 75,000,000 was collateral received following the interest default of Vestjysk Bank A/S. On 08 September 2014, when Vestjysk Bank A/S repaid the interest in arrears, the collateral was disposed.

14. Derivative financial instruments

	31-Jan-15	31-Jul-14
	DKK	DKK
At beginning of the period/year	76,185,190	84,448,897
Net changes in fair value during the period/year	2,215,617	(32,928,339)
Net swap paid	-	24,664,632
At end of the period/year	<u>78,400,807</u>	<u>76,185,190</u>
Derivative financial assets	<u>78,400,807</u>	<u>76,185,190</u>

The legal maturity of all derivative financial instruments is greater than one year.

The derivative financial instruments relates to Series 2 (2014: Series 2).

Assets swap	31-Jan-15	31-Jul-14	Maturity date	Fair value	Fair value
	Notional (DKK)	Notional (DKK)		DKK	DKK
Series 2	314,034,559	314,034,559	01-May-16	78,400,807	76,185,190

Asset swap

On the date of each Note issuance, the Company entered into an Asset Swap Agreement, the effect of which is that the Swap Counterparty will pay to the Company sums equal to the interest payable to the Noteholders under the Notes issued and the Company will pay to the Swap Counterparty sums equal to the scheduled interest receivable in respect of the Investment Securities acquired out of the issue proceeds of the Notes. Under the terms of the Asset Swaps, currency risk is also transferred to the Swap Counterparty, where applicable.

The Company enters into such Swap Agreements for risk management purposes (i) to reduce or eliminate the mismatch between the amounts payable in respect of interest payable on the debt securities issued and the interest receivable from the investment securities held as collateral and (ii) to eliminate currency risks.

The effect of the Asset Swaps is that interest rate risk and currency risk is transferred to the Swap Counterparty leaving Noteholders exposed to market price risk with respect to changes in the value of the investment securities held on each Noteholders behalf.

Notes to the financial statements (continued)

For the period 1 August 2014 to 31 January 2015

15. Debt securities issued

	31-Jan-15	31-Jul-14
	DKK	DKK
Designated at fair value through profit and loss	285,771,445	460,852,644

The debt securities are listed on the Copenhagen Stock Exchange.

The Company's obligations under the debt securities issued are secured by investment securities purchased as per Note 12. The investors' recourse per series is limited to the assets of that particular series. In the event that accumulated losses prove not to be recoverable during the life of the Company, then this will reduce the obligation to the holders of the debt securities by an equivalent amount.

Movement in debt securities issued

	31-Jan-15	31-Jul-14
	DKK	DKK
At beginning of period/ year	460,852,644	508,973,880
Debt securities issued during the period/year	-	-
Disposals during the period/ year	(215,000,000)	(170,335,368)
Net changes in fair value during the period/ year	39,918,801	122,214,132
	285,771,445	460,852,644

During the period, no disposal of investment securities was settled on a net basis against payments for debt securities being redeemed (2014: Nil).

Debt securities issued for a particular series are designated at fair value through profit or loss when the related investment securities and derivatives are fair valued or when they contain embedded derivatives that significantly modifies cashflows that otherwise would be required to be separated.

Maturity analysis of the debt securities issued

	31-Jan-15	31-Jul-14
	DKK	DKK
Within 1 year	-	209,625,000
1 to 2 years	285,771,453	251,227,644
2 to 5 years	-	-
Greater than 5 years	-	-
	285,771,445	460,852,644

The nominal values of debt securities in issue are as follows:

	Interest rate	Callable on (at Company option)	Currency	31-Jan-15 (Nominal)	31-Jul-14 (Nominal)
Series 2	2.00%	01-May-16	DKK	314,034,559	314,034,559
Series 3	Variable	01-Nov-14	DKK	-	215,000,000

16. Other payables

	31-Jan-15	31-Jul-14
	DKK	DKK
Coupon payable on debt securities issued	6,280,691	3,742,770
Net swap amounts payable	19,325	920,857
Bank overdraft	-	834
Accrued expenses	342,143	321,741
Other payables	-	75,000,000
	6,642,159	79,986,202

17. Share Capital – equity

	31-Jan-15	31-Jul-14
	DKK	DKK
<i>Authorised:</i>		
40,000 ordinary shares of €1 each	298,528	298,528
<i>Issued and fully paid:</i>		
40,000 ordinary share of €1 each	298,528	298,528

18. Ownership of the Company

The issued shares are held in trust for charitable purposes by BADB Charitable Trust Limited, Eurydice Charitable Trust Limited and MEDB Charitable Trust Limited each holding 13,332 shares (the 'Share Trustees') and Mr Anthony Walsh, Mr James Scanlon, Mr Patrick Molloy and Mr Turlough Galvin each holding one share. The Share Trustees hold the issued shares of the Company in trust for charity. The Board of Directors have considered the issue as to who is the Controlling Party. It has been determined that the control of the day to day activities of the Company rests with the Board. The Board comprises of three directors.

Notes to the financial statements (continued)**For the period 1 August 2014 to 31 January 2015****19. Transactions with related and certain other parties**

During the half year the Company incurred a fee of DKK 67,899 (2014: DKK 68,521) relating to administration services provided by Deutsche International Corporate Services (Ireland) Limited. Michael Whelan, as director of the Company, had an interest in this fee in his capacity as director of Deutsche International Corporate Services (Ireland) Limited. The Company also paid director fees of DKK 52,087 (2014: DKK 52,235) in relation to services provided by Joseph Boyle and Brian Brady as directors of the Company.

Deutsche Bank, AG London, as Arranger for each Series on issue of each series held, shall pay the Company \$1,000 per Series and agrees to reimburse the Company for any costs, fees, expenses, or out-goings incurred. As at the period end, arranger income receivables was DKK 158,801 (2014: DKK 323,112).

The directors are of the view that there were no other related party transactions requiring disclosure.

20. Charges

The debt securities issued by the Company under each Series are secured by way of mortgage over the collateral purchased in respect of that Series, and by the assignment of a fixed first charge of the Company's rights, title and interest under respective Swap Agreements for each Series.

21. Financial risk management**Introduction and overview**

The Company has established a EUR 10,000,000,000 Secured Notes Programme (the "Programme") to issue secured notes (the "Notes") and/or other secured limited recourse indebtedness (the "Alternative Investments"). The net proceeds from each issue of Notes or Alternative Investments will be used to purchase the Collateral comprised in the Mortgaged Property in respect of the relevant Notes or Alternative Investments, to pay for or enter into any Credit Support Document or Swap Agreement in connection with such Notes or Alternative Investments and to pay expenses in connection with the administration of the Issuer or the issue of the Notes or Alternative Investments.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities and derivatives held for risk management are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

- (a) Market risk;
- (b) Credit risk;
- (c) Fair values; and
- (d) Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating defined in the documentation of the relevant series. The risk of default on these assets is borne by the holders of the debt securities of the relevant series.

The Company has entered into a number of Series in the Programme. Each Series is governed by a separate Supplemental Programme Memorandum. Each Series consists of an investment in collateral from the proceeds of the issuance of debt securities and/or Alternative Investments.

The Programme offers investors the opportunity to invest in a portfolio of investments, the "investment securities", and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

The debt securities are recorded at the value of the net proceeds received in DKK and are carried at fair value through profit or loss. The ultimate amount repaid to the Note holders will depend on the proceeds from the collateral and any payments the Swap counterparty is obliged to make under the terms of the swap agreement. The Company is obliged to provide for the payment or physical delivery of the deliverable obligations to the Swap counterparty and to the Note holders.

All substantial risks and rewards associated with the investment securities are ultimately borne by the Noteholders.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings of financial instruments.

Market risk embodies the potential for both loss and gains and includes interest rate risk, currency risk and price risk.

The objective of market risk management is to manage and control market risks exposures with acceptable parameters while optimizing the returns on risk.

(i) Interest rate risk

The Company has entered into Asset Swaps in respect of series 2 which fully swaps the interest payable on the Notes with the interest receivable on the collateral. Under the terms of the Asset Swap, the interest receivable on the collateral is payable to the Swap Counterparty and the interest payable to the Noteholders is receivable from the Swap Counterparty. For series 3, interest received are paid as interest expense to the noteholders thereby, eliminating any interest rate risk.

Notes to the financial statements (continued)

For the period 1 August 2014 to 31 January 2015

21. Financial risk management(continued)

(a) Market risk (continued)

(ii) Currency risk

Only the cash and cash equivalents are partially denominated in EUR with all other assets and liabilities denominated in DKK. Therefore, the Company has limited exposure to fluctuation in exchange rates between Euro and its functional currency, i.e. DKK. The risk has been mitigated by the Company receiving arranger income for all foreign exchange transactions.

(iii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Other price risk may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

In relation to the Company's portfolio, it is not subject to equity price risk, commodity price risk, prepayment risk or residual value risk.

(b) Credit risk

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating defined in the documentation of relevant series. The risk of default of these assets is borne by the swap counterparty or the holder of the debt securities of the relevant series.

(c) Fair values

The Company's investment securities and debt securities issued are carried at fair value on the statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities at the reporting date approximated their fair values.

Fair value measurement principles

The determination of fair values of financial liabilities at fair value through profit or loss is based on quoted market prices from the Copenhagen Stock Exchange.

The fair value of derivative financial instruments is obtained from the Swap counterparty which uses its proprietary valuation model that takes into account the notional amount, maturity date and any early redemption clause.

Because on limited recourse, the investment securities at fair value through profit or loss of the Company is determined by reference to the fair value of the associated debt securities at fair value through profit or loss and the fair value of derivative financial instruments. Any future change in the fair value of financial liabilities and derivatives will have an equal but opposite impact on the fair value of financial assets.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or that such obligations will have to be settled in a manner disadvantageous to the Company. The Company's approach is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring acceptable losses or risking damage to the Company's reputation.

The Company's obligation to the Noteholders of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders and/or the swap counterparty according to the established priorities.

22. Capital risk management

The Company view the share capital as its capital. Share capital of € 40,000 was issued in line with Irish Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

23. Subsequent events

There has been no significant subsequent event after the period end till the date of signing of this report.

24. Comparatives

In line with IAS 34, the comparative information for the Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity is for the period from 1 August 2013 to 31 January 2014 and the comparative information for the Statement of Financial Position is 31 July 2014.

25. Approval of financial statements

The Board of Directors approved these financial statements on

2015.