

Kalvebod PLC

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

For the half financial year ended 31 January 2016

Registered number 409286

Kalvebod PLC

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Directors and other information

Directors

Brian Brady (Irish)
Joseph Boyle (Irish)
Bronagh Hardiman (Irish) (appointed on 15 March 2016)
Rhys Owens (Irish) (resigned on 15 March 2016)

Registered Office

Pinnacle 2
Eastpoint Business Park
Clontarf
Dublin 3
Ireland

**Administrator &
Company Secretary**

Deutsche International Corporate Services (Ireland) Limited
Pinnacle 2
Eastpoint Business Park
Clontarf
Dublin 3
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 financial year ended 31 January 2016.

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 a Swap Agreement with the Swap counterparty 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 financial year,

- the Company's profit was DKK Nil (31 January 2015: DKK Nil);
- the Company did not issue any new series;
- the net loss on investment securities was DKK 3,845,452 (31 January 2015: net gain of DKK 37,703,184);
- the net gain from debt securities issued was DKK 3,140,346 (31 January 2015: net loss of DKK 39,918,801);
- the net gain from derivative financial instruments amounted to DKK 705,106 (31 January 2015: DKK 2,215,617); and
- the Company did not dispose of any debt securities.

As at 31 January 2016:

- the carrying value of the Company's total indebtedness (net of cash at bank) was DKK 282,340,378 (31 July 2015: DKK 285,480,639)
- the Company had the following Notes in issue:

Series 2	DKK 314,034,559 Fixed/Floating Rate Secured Notes due 2016
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- the Company had the following collaterals in issue:

Series 2	DKK 230,000,000 bearing fixed/floating interest rates
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The Company's net assets were DKK 315,750 (31 July 2015: DKK 315,750).

The Company incurred DKK 3,166,157 (31 January 2015: DKK 6,401,417) as coupon on the Notes issued and earned DKK 4,834,617 (31 January 2015: DKK 6,756,407) as coupon on the investment securities.

Credit events

There was no credit event during the financial 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 financial year ended 31 January 2016 have been prepared on a going concern basis. The directors anticipate that the investment securities and swap agreement in place 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 2016 is callable on 1 May 2016 but have a legal maturity date of 1 May 2106. As at the date of signing of this report, no board decision was taken to call the Notes. For these reasons, the directors believe that the going concern basis is appropriate.

Results and dividends for the financial period

The results for the half financial year are set out on page 5. No dividends are recommended by the directors for the period under review (31 January 2015: Nil).

Changes in directors, secretary and registered office

On 15 March 2016, Rhys Owens resigned as director and was replaced by Bronagh Hardiman on the same date. There was no further change in directors, secretary and registered office during the financial period and/or since the financial period end.

Directors, secretary and their interests

The directors and secretary, who held office on 31 January 2016, did not hold any share in the Company at that date, or during the half financial period. Except for the Administration Agreement entered into by the Company with Deutsche International Corporate Services (Ireland) Limited, 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 Section 309 of the Companies Act 2014, at any time during the half financial year.

Interim management report (continued)

Shares and shareholders

The authorised share capital of the Company is EUR 40,000, which have been fully called for. The principal shareholders in the Company are BADB Charitable Trust Limited, Eurydice Charitable Trust Limited and MEDB Charitable Trust Limited, each holding 13,332 shares. In addition, Mr Anthony Walsh, Mr James Scanlon, Mr Patrick Molloy and Mr Turlough Galvin hold one share each in the Company. All shares are held under the terms of declarations of trust, under which the relevant share trustee holds the issued shares of the Company on trust for a charity. The Share Trustee has no beneficial interest in and derives no benefit from its holding of the shares. There are no other rights that pertain to the shares and the shareholders.

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 financial 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.

Political donations

The Company made no political donations or incurred any political expenditure during the half financial year (31 January 2015: DKK Nil).

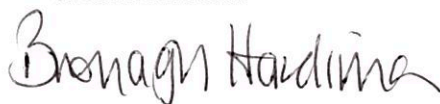
Subsequent events

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 281 to 285 of the Companies Act 2014, adequate accounting records are kept by employing accounting personnel with the appropriate expertise by providing adequate resources to the financial function. The accounting records of the Company are maintained at Deutsche International Corporate Services (Ireland) Limited, Pinnacle 2, Eastpoint Business Park, Clontarf, Dublin 3, Ireland.

On behalf of the board



Bronagh Hardiman
Director



Joseph Boyle
Director

Date: 30/03/16 -

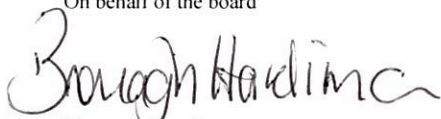
Responsibility statement

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:
 - The important events that have occurred during the first six months of the financial 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 financial year ended 31 January 2016 have not been audited.

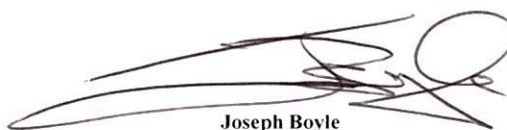
On behalf of the board



Bronagh Hardiman
Director

Date:

30/03/16



Joseph Boyle
Director

Statement of comprehensive income
For the half financial year ended 31 January 2016

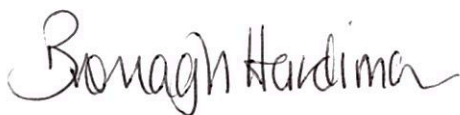
	Notes	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Net gain on investment securities	4	989,165	44,459,591
Net loss on debt securities issued	5	(25,811)	(46,320,218)
Net (loss)/gain from derivative financial instruments	6	(963,354)	1,860,627
Operating results		-	-
Net gain/(loss) on foreign exchange movements	7	28	(864)
Other income	8	226,859	241,863
Other expenses	9	(226,887)	(240,999)
Operating results before income tax		-	-
Income tax expense	10	-	-
Profit for the financial period		-	-
Other comprehensive income		-	-
Total comprehensive income for the financial period		-	-

All items dealt with in arriving at the result for the financial period ended 31 January 2016 related to continuing operations.

Statement of financial position
As at 31 January 2016

		31-Jan-16	31-Jul-15
		DKK	DKK
Assets	Notes		
Cash and cash equivalents	11	290,722	290,807
Derivative financial assets	14	81,587,605	80,882,499
Investment securities at fair value through profit or loss	12	201,043,495	204,888,947
Other receivables	13	6,411,346	2,587,622
Total assets		<u>289,333,168</u>	<u>288,649,875</u>
Liabilities			
Debt securities issued at fair value through profit or loss	15	282,631,100	285,771,446
Other payables	16	6,386,318	2,562,679
Total liabilities		<u>289,017,418</u>	<u>288,334,125</u>
Equity			
Called up share capital presented as equity	17	298,528	298,528
Retained earnings		17,222	17,222
Shareholder's funds - equity		<u>315,750</u>	<u>315,750</u>
Total liabilities and equity		<u>289,333,168</u>	<u>288,649,875</u>

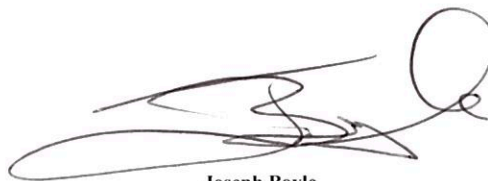
On behalf of the board



Bronagh Hardiman
Director

Date:

30/03/16



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 financial year ended 31 January 2016

	Share capital DKK	Retained earnings DKK	Total equity DKK
Balance as at 1 August 2014	298,528	17,222	315,750
<i>Total comprehensive income for the financial period</i>			
Profit for the financial period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	-	-	-
Balance as at 31 January 2015	298,528	17,222	315,750
<i>Total comprehensive income for the financial period</i>			
Profit for the financial period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	-	-	-
Balance as at 31 July 2015	298,528	17,222	315,750
<i>Total comprehensive income for the financial period</i>			
Profit for the financial period	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	-	-	-
Balance at 31 January 2016	298,528	17,222	315,750

Statement of cash flows

For the half financial year ended 31 January 2016

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Net cash flows from operating activities		
Profit before income tax	-	-
Adjustments for:		
(Increase)/decrease in other receivables	(3,823,724)	73,326,971
Increase/(decrease) in other payables	3,823,639	(73,344,043)
Interest income for the half financial year	(4,834,617)	(6,756,407)
Interest expense for the half financial year	3,166,157	6,401,417
Net swap income	1,668,460	354,990
Net changes in fair value on derivative financial instruments	(705,106)	(2,215,617)
Net changes in fair value on debt securities issued	(3,140,346)	39,918,801
Net changes in fair value on investment securities	3,845,452	(37,703,184)
<i>Cash used in operating activities</i>	(85)	(17,072)
Interest paid	(3,166,157)	(6,401,417)
Derivatives paid	(1,668,460)	(354,990)
Net cash used in operating activities	(4,834,702)	(6,773,479)
Cash flows from investing activities		
Disposal of investment securities	-	215,000,000
Interest received	4,834,617	6,756,407
Net cash flows from investing activities	4,834,617	221,756,407
Cash flows from financing activities		
Redemptions of debt securities issued	-	(215,000,000)
Net cash used in financing activities	-	(215,000,000)
Net decrease in cash and cash equivalents	(85)	(17,072)

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

Notes to the financial statements

For the half financial year ended 31 January 2016

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 entered into a Swap Agreement with the Swap counterparty 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 direct employees.

2. Basis of preparation

Statement of compliance

The condensed financial statements for the half financial year ended 31 January 2016 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 financial year ended 31 July 2015.

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 financial year ended 31 July 2015.

4. Net gain on investment securities

Designated at fair value through profit or loss

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Coupon income	4,834,617	6,756,407
Net (loss)/gain on investment securities	(3,845,452)	37,703,184
	<u>989,165</u>	<u>44,459,591</u>

5. Net loss on debt securities issued

Designated at fair value through profit or loss

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Coupon expenses	(3,166,157)	(6,401,417)
Net gain/(loss) on debt securities issued	3,140,346	(39,918,801)
	<u>(25,811)</u>	<u>(46,320,218)</u>

6. Net (loss)/gain from derivative financial instruments

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Net swap expense	(1,668,460)	(354,990)
Net gain on derivative financial instruments	705,106	2,215,617
	<u>(963,354)</u>	<u>1,860,627</u>

7. Net gain/(loss) on foreign exchange movements

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Net gain/(loss) on foreign exchange movements	28	(864)

8. Other income

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Arranger income	226,859	241,863

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 financial year.

Notes to the financial statements (continued)
For the half financial year ended 31 January 2016

9. Other expenses

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Audit fees	(82,613)	(82,371)
Administration expenses	(68,099)	(67,899)
Directors fees	(52,240)	(52,087)
Tax fees	(22,489)	(22,423)
Legal and professional fees	(1,334)	(16,004)
Bank charges	(112)	(215)
	<u>(226,887)</u>	<u>(240,999)</u>

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

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 DKK
Auditor's remuneration (VAT inclusive)		
Statutory audit	(82,613)	(82,371)
Other assurance services	-	-
Tax advisory services	(22,489)	(22,423)
Other non-audit services	-	-
	<u>(105,102)</u>	<u>(104,794)</u>

10. Income tax expense

	Half financial year ended 31-Jan-16 DKK	Half financial year ended 31-Jan-15 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% (2015: 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-16 DKK	31-Jul-15 DKK
Cash at bank	<u>290,722</u>	<u>290,807</u>

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

12. Investment securities

	31-Jan-16 DKK	31-Jul-15 DKK
Designated as at fair value through profit or loss	<u>201,043,495</u>	<u>204,888,947</u>
Maturity analysis of investment securities		
Within 1 year	201,043,495	204,888,947
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	-	-
More than 5 years	-	-
	<u>201,043,495</u>	<u>204,888,947</u>
Movement in investment securities		
At beginning of financial period/year	204,888,947	384,667,454
Additions during the financial period/year	-	-
Disposals during the financial period/year	-	(215,000,000)
Net changes in fair value during the financial period/year	(3,845,452)	35,221,493
At end of the financial period/year	<u>201,043,495</u>	<u>204,888,947</u>

Notes to the financial statements (continued)
For the half financial year ended 31 January 2016

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	Interest rate	Maturity date	31-Jan-16	31-Jan-16
				DKK	DKK
				Nominal	Fair value
Series 2	Forstædernes Bank A/S	3 months Cibur + 1.70%	01-May-16	100,000,000	87,410,215
Series 2	Gjerlev-Enslev Sparekasse	5.87%	01-May-16	10,000,000	8,741,022
Series 2	Vestjysk Bank A/S	6.24%	01-May-16	50,000,000	43,705,108
Series 2	Skjern Bank A/S	6.09%	01-May-16	70,000,000	61,187,150
					<u>201,043,495</u>
Series	Description	Interest rate	Maturity date	31-Jul-15	31-Jul-15
				DKK	DKK
				Nominal	Fair value
Series 2	Forstædernes Bank A/S	3 months Cibur + 1.70%	01-May-16	100,000,000	89,082,150
Series 2	Gjerlev-Enslev Sparekasse	5.87%	01-May-16	10,000,000	8,908,215
Series 2	Vestjysk Bank A/S	6.24%	01-May-16	50,000,000	44,541,076
Series 2	Skjern Bank A/S	6.09%	01-May-16	70,000,000	62,357,506
					<u>204,888,947</u>

During the financial period, no disposal of investment securities was settled on a net basis against payments for debt securities being redeemed (31 July 2015: DKK Nil).

13. Other receivables

	31-Jan-16	31-Jul-15
	DKK	DKK
Coupon receivable on investment securities	6,410,503	2,356,097
Other income receivable	843	231,525
	<u>6,411,346</u>	<u>2,587,622</u>

14. Derivative financial instruments

	31-Jan-16	31-Jul-15
	DKK	DKK
At beginning of the financial period/year	80,882,499	76,185,190
Net changes in fair value during the financial period/year	705,106	4,697,309
At end of the financial period/year	<u>81,587,605</u>	<u>80,882,499</u>
Derivative financial assets	<u>81,587,605</u>	<u>80,882,499</u>

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

The derivative financial instruments relates to Series 2 (2015: Series 2).

Assets swap	31-Jan-16	31-Jul-15	Maturity date	Fair value	Fair value
	Notional (DKK)	Notional (DKK)		DKK	DKK
				31-Jan-16	31-Jul-15
Series 2	314,034,559	314,034,559	01-May-16	81,587,605	80,882,499

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. The principal will be repaid on maturity. 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 half financial year ended 31 January 2016

15. Debt securities issued

	31-Jan-16 DKK	31-Jul-15 DKK
Designated at fair value through profit and loss	282,631,100	285,771,446

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-16 DKK	31-Jul-15 DKK
At beginning of financial period/ year	285,771,446	460,852,644
Debt securities issued during the financial period/year	-	-
Disposals during the financial period/ year	-	(215,000,000)
Net changes in fair value during the financial period/ year	(3,140,346)	39,918,802
	282,631,100	285,771,446

During the financial period, no disposal of investment securities was settled on a net basis against payments for debt securities being redeemed (31 July 2015: DKK 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-16 DKK	31-Jul-15 DKK
Within 1 year	282,631,100	285,771,446
1 to 2 years	-	-
2 to 5 years	-	-
Greater than 5 years	-	-
	282,631,100	285,771,446

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

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

16. Other payables

	31-Jan-16 DKK	31-Jul-15 DKK
Coupon payable on debt securities issued	4,732,028	1,565,871
Net swap amounts payable	1,362,585	786,620
Accrued expenses	291,705	210,188
	6,386,318	2,562,679

17. Called up share capital presented as equity

	31-Jan-16 DKK	31-Jul-15 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 half financial year ended 31 January 2016****19. Transactions with related and certain other parties**

During the financial period the Company incurred a fee of DKK 68,099 (31 January 2015: DKK 67,899) relating to administration services provided by Deutsche International Corporate Services (Ireland) Limited. The Company also paid director fees of DKK 52,240 (31 January 2015: DKK 52,087) 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 financial period end, Arranger income receivables was DKK 843 (31 January 2015: DKK 231,525).

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.

Notes to the financial statements (continued)
For the half financial year ended 31 January 2016

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 accounts 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 financial 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 financial period from 1 August 2014 to 31 January 2015 and the comparative information for the Statement of Financial Position is as at 31 July 2015.

25. Approval of financial statements

The Board of Directors approved these financial statements on 2016.