



KOMMUNE  
KREDIT

Press release 6 March 2015

# ANNUAL REPORT 2014

As a result of the declining level of interest rates, KommuneKredit's gross interest income and interest expenses decreased in 2014. Net interest income amounted to DKK 450 million, against DKK 503 million in 2013. The decline in net interest income was primarily caused by lower interest income on the own portfolio of bonds in 2014 compared to 2013. KommuneKredit considers the level of net interest income for 2014 satisfactory.

KommuneKredit remains the cheapest source of funding for local government, and having their own financial institution provides the municipalities with substantial financial latitude.

Net lending was broadly unchanged from 2013 at DKK 17.4 billion in 2014 against DKK 17.9 billion in 2013.

KommuneKredit's comprehensive income for 2014 was DKK 249 million, a decrease of DKK 30 million from 2013. This corresponds to a profit of DKK 268 million, excluding value adjustments. The H1 2014 interim report estimated a full-year profit of DKK 275 million, excluding value adjustments.

At year-end 2014, KommuneKredit's total assets amounted to DKK 201.4 billion, an increase of DKK 17.2 billion against year end 2013. Total lending increased by DKK 9.4 billion, to DKK 152.1 billion at year end 2014.

KommuneKredit obtains funding through bond issues on NASDAQ OMX Copenhagen A/S (OMX) and international issues of securities.

KommuneKredit's funding position on international capital markets remained favourable in 2014 due to considerable interest from investors in acquiring securities with a strong credit rating.

## Outlook for 2015

As, owing to its solid capitalisation, KommuneKredit is able to provide loans at very moderate margins, it is expected that KommuneKredit will retain its position as the preferred supplier of funding to local government.

The profit for 2015, excluding value adjustments, is expected to amount to DKK 275 million, in line with the level obtained in 2014.

It should also be noted that Søren Høgenhaven, CEO, has announced that he will retire at the end of May. A process to search for a successor has been organized.

## Contacts

Søren Høgenhaven, CEO  
Johnny Munk, Managing director  
Jens Bloch Behrendt, CFO

## FINANCIAL SUMMARY FOR KOMMUNEKREDIT

DKKm	2014	2013	2012	2011	2010
Total net lending	17,433	17,862	17,025	15,632	20,947
Net interest income	450	503	603	611	453
Comprehensive income for the year	249	279	516	516	309
Profit for the year excl. value adjustments	268	305	378	388	274
Lending and lease receivables	152,085	142,711	136,296	128,979	125,136
Total assets	201,413	184,239	181,885	177,113	166,206
Equity	6,244	5,995	5,716	5,200	4,684

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