



About Nykredit 2009 Financial Sustainability

Contents

FOREWORD	1
NYKREDIT'S CUSTOMERS	2
Customers and products	2
Holistic advisory services – an important tool	4
We are here for our customers – also in difficult times	5
Sustainable investments at Nykredit	6
Nykredit bond investors	7
NYKREDIT'S SOCIAL RESPONSIBILITY	8
Environment and climate	8
Social initiatives	9
Sponsorships and grants	10
NYKREDIT'S STAFF	11
NYKREDIT'S OWNERSHIP STRUCTURE AND CAPITAL POLICY	14
Ownership structure and history	14
Unique Danish mortgage system	15
Sustainable capital policy	16
NYKREDIT IN FIGURES	17
REPORTING POLICIES	18

You can read more about the Nykredit Group at nykredit.com, including the reports:

- Annual Report 2009
- About Nykredit 2009 – Financial Sustainability
- Risk and Capital Management 2009

Information about Corporate Governance is available at nykredit.com/aboutnykredit

Foreword

Nykredit experienced robust business growth in 2009, and today the Group has more than 1.1m customers.

Business growth was broad-based. Retail and commercial lending continued to grow, and core income from operations also went up within Retail Customers, Business Partners, Commercial Customers and Markets & Asset Management.

Nykredit's lending increased by DKK 67bn, or 7% in 2009, whereas Danish commercial and mortgage banks in general recorded a set-back of DKK 73bn according to official lending statistics. The rise in Nykredit's lending was prompted by high customer satisfaction and the Group's focus on holistic solutions – and not least a long-term capital policy that accommodates an expansion of business activities in times of crisis.

In total, core income from business operations gained 17% excluding Forstædernes Bank and 24% including Forstædernes Bank.

A changing society needs sound financial enterprises to foster changes and secure sustainable short- and long-term financial solutions.

An efficient loan market catering for business and private individuals is essential to society. Being Denmark's largest mortgage lender, Nykredit bears a great social responsibility for securing an efficient loan market.

Corporate social responsibility goes beyond this, however, and the Danish parliament has resolved that all large enterprises must disclose all measures taken to fulfil their social responsibility. About Nykredit 2009 – Financial Sustainability is our response.

Financial sustainability

Nykredit's business concept of financial sustainability describes our way of conducting business. Balanced and long-term relations as well as awareness of our social responsibilities are integral elements of Nykredit's business.

This is also reflected in our fundamental business principles: Meeting customer needs, Transparency, New thinking, Balanced, profitable business and Resource mobility. To Nykredit, social responsibility is far more than compliance with the letter and spirit of rules and regulations. Nykredit takes it further.

You can read more about what financial sustainability and our fundamental business principles mean to you as a customer, investor, staff member or citizen at nykredit.com/aboutnykredit.

Last year, Nykredit joined the UN Global Compact, an initiative to promote corporate social responsibility. This report outlines Nykredit's measures to implement the ten Global Compact principles for sustainable corporate conduct.

This year's report

This report describes the story behind Nykredit and what it means to our customers and other relations. Nykredit has adopted a new strategy and organisation, Strategy 2013, which will pave the way for significant business development and growth for the next 4-5 years.

The strategy and the organisation are based on a common foundation, One new Nykredit. A new unified organisation will further develop the current group strategy with commercial and mortgage banking as core activities.

Nykredit provides holistic advisory services in relation to housing, customers' personal finances, savings, investments and pension as elements of a common whole. The target is to make all ends meet. Should things go wrong all the same, we have launched a hotline aimed specifically at financially distressed customers.

Climate issues were at the top of the agenda in 2009. We have therefore launched initiatives to reduce our carbon footprint by 10% over the period 2008-2011.

Nykredit strives to give all staff members room to unfold their full potential and live a balanced life. To this end, we have introduced a life phase model that may help the individual staff members to strike the right balance between working life and family life.

You can read about that and more in this report. Enjoy the read.



Peter Engberg Jensen, Group Chief Executive

Nykredit's customers

CUSTOMERS AND PRODUCTS

With activities within commercial and mortgage banking, insurance, pension, investment and estate agency services, Nykredit has a broad reach.

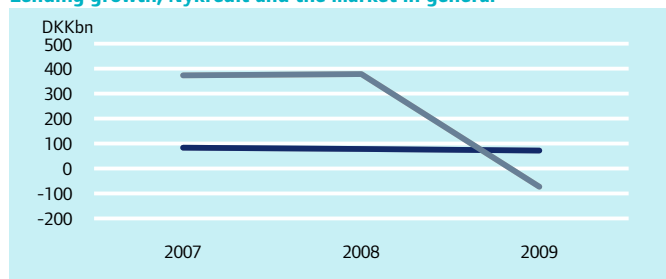
The Nykredit Group is in contact with more than 1.1 million customers. Nykredit serves 581,000 retail customers, 22,000 agricultural customers and 71,000 commercial customers under the Nykredit brand. In addition, there are 565,000 retail customers under Totalkredit's partnership with local and regional banks. In 2009 the number of customers grew by 31,000.



Nykredit maintains lending growth

Nykredit contributed to economic growth in 2009 by maintaining positive lending growth, whereas Danish commercial and mortgage banks in general recorded lending growth of DKK 378bn in 2008 and a setback of DKK 73bn in 2009.

Lending growth, Nykredit and the market in general



■ Nykredit¹

■ Market

¹Forstædernes Bank included from 2009.

Note: Lending figures from MFI statistics (excl lending to MFIs, incl reverse transactions).

Nykredit's lending growth

DKK billion	2007	2008	2009
Retail			
Mortgage lending	54	41	36
Bank lending	1	3	2
Total	55	44	38
Commercial			
Mortgage lending	30	26	32
Bank lending	9	9	(8)
Total	39	35	25
Forstædernes Bank ¹	-	-	(5)
The Nykredit Group's total new lending	94	79	56

¹Forstædernes Bank included from 2009.

Note: Mortgage lending has been measured at nominal value, bank lending at amortised cost after impairment (excl reverse transactions).

Nykredit's bank and mortgage lending grew by DKK 56bn in 2009 to an aggregate amount of DKK 1,046bn.

Market position

Nykredit held a market share of 41.4% of Danish mortgage lending at end-2009. The market shares of Nykredit Bank and Forstædernes Bank together accounted for 5.1% for deposits and 5.1% for loans and advances. The market share of the insurer Nykredit Forsikring was 3.7%.

Nykredit's market position in Denmark 2009

	DKKm	Market share
Mortgage lending	948,533	41.4%
Assets under administration	220,974	27.3%
Assets under management	65,807	-
Bank loans	69,887	5.1%
Bank deposits	62,025	5.1%
Insurance (premium income)	1,366	3.7%

New strategy to strengthen growth in Nykredit

In 2009 Nykredit adopted a new strategy and organisation which will pave the way for significant business development and growth up to 2013, with commercial and mortgage banking as core activities.

Nykredit's strategic ambition and objectives for 2013 are:

- Nykredit is a leading player in the Danish financial services sector
- Nykredit and its development rest on two strong legs – commercial and mortgage banking
- Nykredit has the most satisfied customers among leading national players
- Nykredit offers one of the most attractive and challenging work-places in Denmark

Mortgage and commercial banking products are inextricably inter-linked today. Sound commercial banking activities are a prerequisite for sound mortgage lending activities and for growing Nykredit's overall earnings.

Peter Engberg Jensen, Group Chief Executive

The mortgage lending activities based on Nykredit and Totalkredit as the Group's two strong brands will continue to be a key element of the two-legged strategy. The areas will be further developed, but growth will chiefly be generated in the commercial banking area. As part of the new strategy, Forstædernes Bank will merge into Nykredit Bank. As a result, Forstædernes Bank as an independent name and brand will be phased out in 2010.

New customer-oriented organisation

The new strategy has also given rise to changes internally at Nykredit. The organisation now reflects that commercial banking is equally important as mortgage banking and that Nykredit is prepared for further growth within commercial banking.

Nykredit's nine new area centres



In future, Nykredit's customers will have one point of access to Nykredit.

Nykredit's centre structure will be divided into nine geographic areas, with a regional centre and a number of customer centres each. Under the new centre structure, existing retail centres, commercial centres and centres of Forstædernes Bank will be coordinated in towns that now have several centres.

Nykredit has specialists within most financial areas and provides advisory services covering customers' financial needs on both the asset and liability side.

The new strategy ensures that we advise and serve our customers according to their needs rather than according to our organisation. This is an advantage for our customers – and thereby for us as well. It further improves our ability to give customers what they want and increases customer satisfaction.

Frank Fryd Petersen, Senior Vice President

In continuation of Nykredit's new strategy, the range of financial products available to Nykredit's commercial customers is being expanded.

Meeting customer needs

Nykredit is driven by our customers' wishes and needs.

Nykredit's customers can seek advice and buy Nykredit branded products directly through our contact channels:

- Nykredit's 49 retail centres
- Nykredit's 22 commercial centres

- online via e-mail, chat or webdesk meetings
- by telephone via Nykredit's central sales and customer contact centres.

Customers can reach Nykredit in the daytime, in the evening and on weekends.

The customers' choice is at the heart of Nykredit's strategy. The same applies to Nykredit's digital channels. Consequently, several new options and services have been developed for nykredit.dk, and a growing number of customers are using Nykredit's digital services.

Online activity in 2009

	Number
Visitors at nykredit.dk	9,108,000
Online calculations	3,563,000
Visitors at Nykredit Blog	122,000
Visitors at nykredit.tv	99,000
WebDesk meetings	7,700

The local and regional banks in the Totalkredit partnership serve customers through more than 1,200 branches.

Nykredit's estate agency network, Nybolig and Estate, consists of more than 300 franchisees.

Nykredit finances retail customers' properties in France, Spain and Germany. Local representative offices have been set up in France and Spain, while the financing of properties in Germany is processed from Denmark.

Nykredit provides financing for properties outside Denmark of Danish and selected international commercial customers in the form of mortgage loans under Danish legislation. The loans relate to properties in the UK, Finland, Norway, Poland, Sweden and Germany.

New products for the benefit of customers

Danes live longer, and this poses a challenge to the conventional way of saving up for retirement. Furthermore, the Danish government adopted a tax reform in spring 2009 that introduced an upper limit of DKK 100,000 annually for contributions to annuity pension plans. This puts 80,000 Danes in a situation where they may have to change their pension plans.



To meet the changing needs, Nykredit has developed a new pension product, Nykredit Livslang Pension (life-long pension) that allows customers to make unlimited pension contributions, while retaining a tax allowance.

Finding the solution for our customers was about entirely new thinking and not being restrained by old traditions and concepts within the insurance area. We have now bridged the gap between banking and insurance by combining the best from two worlds.

Lars Bo Bertram, Managing Director

Also other areas saw the introduction of new Nykredit products and financial solutions in 2009, including:

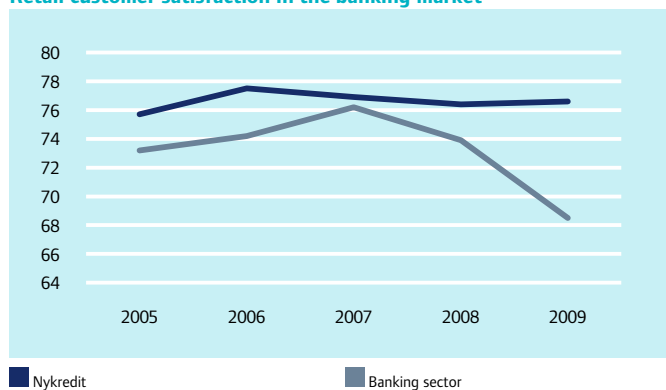
- Nykredit's Smartbudget – for easy and manageable budgeting. In October 2009, Nykredit's Smartbudget website won the Interactive Media Award for its outstanding design, functionality and user-friendliness.
- 1828 – a concept for young people between 18 and 28 years, where they can save up points for special discounts and get free home insurance for the first year if they open an account with wage deposits.
- Equity account – a structured deposit account for retail customers that yields a return depending on the development in equity prices of six of the largest Danish companies, rather than interest payments according to a deposit rate.
- Green Insurance offering environment-friendly repair of claims covered by Nykredit's Buildings Insurance.
- Nykredit mobile banking – in May 2009, we launched access to online banking via mobile phone. To begin with, Internet Bank customers could access an overview of their accounts, and in autumn the facilities were extended to include account balances and transfers between own accounts.

Satisfied bank customers

In autumn 2009, over 3,000 consumers participated in a survey of customer satisfaction and loyalty among bank customers. The survey was made by EPSI Denmark.

The survey showed that banks are generally experiencing decreasing customer satisfaction. In the retail segment, customer satisfaction is record low. Nykredit has retained the level of customer satisfaction among its retail customers and today has the most satisfied and loyal retail customers compared with the other major Danish banks.

Retail customer satisfaction in the banking market



■ Nykredit

■ Banking sector

Source: EPSI Denmark

The positive development in customer satisfaction provides a good foundation for Nykredit's continued growth within commercial banking and further development of the new strategy.

HOLISTIC ADVISORY SERVICES – AN IMPORTANT TOOL

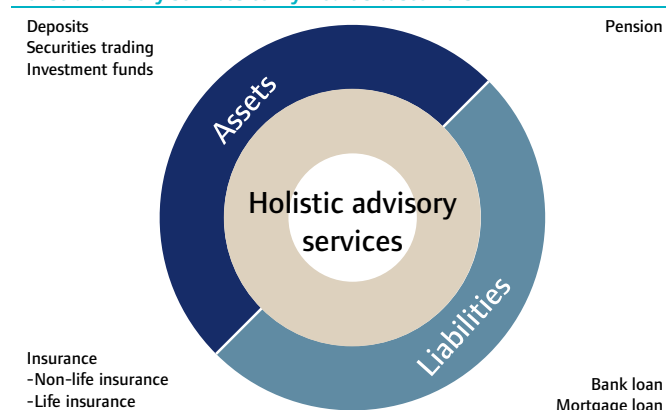
Nykredit provides holistic advisory services to both retail and commercial customers.

At Nykredit, we look at retail customers' total finances within five different areas – housing, personal finances, savings and investments, non-life insurance as well as pension and life insurance. Changes in any one of these areas – for example housing finances – will often affect one or more of the other areas. Therefore, Nykredit offers customers holistic advisory services to secure all aspects of their finances.

At Nykredit, we believe that it is not possible for one person to know everything about all the different areas. Customers are therefore assigned an adviser with overall financial insight and knowledge of the local area. In addition, Nykredit has financial, asset management and investment specialists as well as insurance agents whom the adviser can draw on as required.

Holistic advisory services for commercial customers consist in mapping of the individual customer's liquidity, securities portfolio, currency flows and loan portfolio. This approach provides an overview of the total financial exposure. Knowledge of the composition of assets and liabilities and the customer's risk profile is essential for Nykredit's ability to offer the optimal solution.

Holistic advisory services to Nykredit's customers



Risk management more important than ever

Risk taking is part of everyday life. At Nykredit, we believe that risk must be managed. We therefore apply holistic advisory services as a tool to uncover all financial aspects, thereby ensuring optimal risk management.

The financial crisis has shown that advice on how to diversify risk is not enough. Both businesses and private households have to consider how to manage risk and how big a loss they can sustain. This is done by drawing up risk accounts for the total finances and then determining where to take on risk exposures.

The risk accounts of a business should be divided into risk relating to commercial exposures and risk relating to financial transactions. Comprehensive risk accounting is no simple exercise, and it requires input from the financial services provider and others.

In a private household, financial risk exists within three areas: when buying a home, borrowing money and investing money. The three

areas are interconnected. It is therefore important to regard the household finances as a whole in order to minimise the total risk.

This way, Nykredit can provide qualified advisory services and guidance on how to manage finances and risk and offer solutions tailored to the specific needs of the individual customer.

WE ARE HERE FOR OUR CUSTOMERS - ALSO IN DIFFICULT TIMES

In the last part of 2008 and throughout 2009, Denmark saw large fluctuations in financial markets, a massive decrease in economic activity and thereby rising unemployment.

The economic downturn has resulted in a growing number of financially distressed customers, measured by the number of loans in arrears, collection proceedings and forced sales of properties.

Financially distressed customers

	2007	2008	2009
Nykredit Realkredit			
Loans in arrears ¹	960	1,618	2,370
Collection proceedings ²	863	1,333	1,826
Forced sales	147	255	569
Nykredit Bank			
Overdrawn wage accounts ³	3,808	4,622	4,518

¹Measured by the number of mortgage loans (several mortgages on the same property count as one) in arrears 75 days after the September settlement date.

²Number of mortgage loans referred for collection proceedings due to arrears at the September settlement date.

³Number of overdrawn wage accounts at the end of the month, Q4 average.

Today, Nykredit's staff more often have to advise customers who have come into financial difficulties. Since the end of 2008, our staff have experienced a growing number of difficult meetings with customers.

Nykredit has therefore launched initiatives in 2009 targeted at customers in financial difficulties.



New Hotline: Get your finances back on track

In September, Nykredit supplemented its contact channels with a telephone hotline and a website aimed at retail customers who have lost control of their finances, for instance because of divorce, unemployment or critical illness. The website can be accessed through nykredit.dk/omnykredit.

Nykredit believes that a direct and non-committal offer for hard-pressed customers to contact Nykredit through a special channel may

be the approach needed to make them take action. The sooner customers respond to their financial difficulties, the more options they will typically have, and the smaller the risk of loss, both for the customers and Nykredit.

When financially distressed customers call the new hotline, they can expect that Nykredit's staff have the time to listen to them, can help them to get an overview of their finances and advise them on how best to proceed. The conversation is confidential, and the customer decides whether the information may be passed on internally at Nykredit, for example to book a meeting with an adviser.

Our job is to make customers feel welcome, familiarise ourselves with their situation and offer initial guidance on how to proceed when finances are in a deadlock.

Kaj Rasmussen, Deputy Manager
in charge of the new hotline

Strengthened effort towards retail customers with poor creditworthiness

Concurrently with introducing the new hotline, Nykredit has made a thorough review of the organisation and systems to ensure optimal handling of retail customers with poor creditworthiness.

This has resulted in clear guidelines and delineation of responsibilities as well as staff members who are well equipped to offer advisory services to these customers. All for the benefit of our customers, our staff and Nykredit.



Empathetic staff

Nykredit's staff must be able to handle customers who have come into financial difficulties, for instance because they have lost their job. Not many people find it easy to be face-to-face with another person who is going through a crisis.

Nykredit has taken up the challenge and is training staff in dealing with financially distressed customers in a good way.

Customer ambassador and complaints unit

At Nykredit, we bid dissatisfied customers welcome. It gives us an opportunity to make things right again and maintain the customer relationship.

Nykredit's customer ambassador can help if the dialogue between a customer and Nykredit fails. The customer ambassador puts herself in

the customer's place and tries to find a solution to the customer's satisfaction.

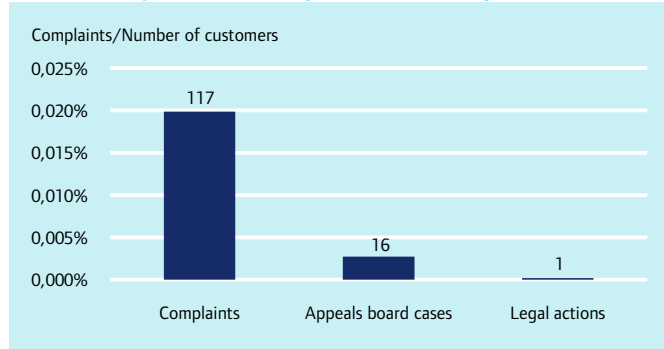
Nykredit monitors trends in customer complaints, based on the belief that we can and must learn from the complaints we receive from our customers.

In 2009 the customer ambassador handled 353 enquiries – of which 270 were from customers who were more or less dissatisfied. The other enquiries related to customers requesting information, expressing satisfaction with Nykredit or making proposals.

In addition to a customer ambassador, Nykredit has a unit in charge of complaints, which takes over if customers want to proceed with their claims. In several cases, the complaints unit and Nykredit's customer ambassador have dealt with a complaint together.

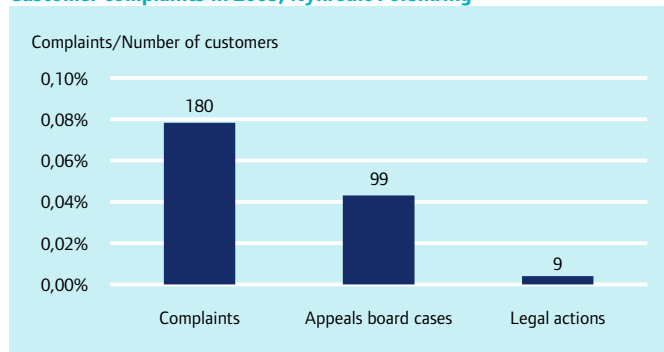
Nykredit received 117 customer complaints regarding banking and mortgage services in 2009. The complaints were mainly about advisory services, case processing and online banking.

Customer complaints in 2009, Nykredit Bank and Nykredit Realkredit



Nykredit processed 58,917 insurance claims in 2009. 99 claims were brought before the Insurance Complaints Board, and in 30 out of 99 concluded cases in 2009 the Board ruled in favour of the customer.

Customer complaints in 2009, Nykredit Forsikring



SUSTAINABLE INVESTMENTS AT NYKREDIT

As a natural continuation of its business concept Financial Sustainability, Nykredit has drawn up a sustainable investment policy. The purpose of the policy is to ensure that Nykredit incorporates environmental, social and corporate governance issues into the entire investment process.

Founded on widely accepted conventions

Nykredit's policy is based on the United Nations' six principles for responsible investments (UNPRI) – a set of common, global guidelines for responsible investment behaviour. Nykredit adopted the

UNPRI in February 2009 and henceforth follows its recommendations of incorporating environmental, social and corporate governance issues into investment analysis and decision-making processes. The policy is further based on the United Nations Global Compact – ten principles for corporate enactment of core values in the areas of the environment, human rights, labour standards and anti-corruption as well as other widely accepted international conventions and standards.

Large Danish enterprises are encouraged to follow the UN's recommendations for subjects to be included in their corporate social responsibility reports.

Nykredit is a member of DANSIF, a network of investment professionals, consulting firms and others dealing with responsible investments.

We have resolved to implement guidelines for Nykredit's investment practices because it makes sense. It is a matter of focusing on long-term relations and dialogue with the enterprises we invest in and in this way creating added value for our customers and Nykredit.

Lars Bo Bertram, Managing Director

How Nykredit practices responsible investment

Through dialogue, Nykredit seeks to influence companies that do not observe the internationally accepted conventions and standards in their efforts to obtain good, long-term returns for us and our customers.

In order to achieve an independent picture of the individual companies, Nykredit's investments are screened twice a year. This screening is conducted through GES Investment Services (Global Ethical Standard) that has many years of experience in this field. If Nykredit finds out that a company fails to comply with some of the conventions and standards laid down, we enter into a dialogue with the company concerned to make it change its behaviour.

If this approach is unsuccessful, the company is excluded from Nykredit's investment sphere. This should be regarded as a last resort, however, as Nykredit's primary aim is to influence the company through dialogue and active ownership towards a more sustainable behaviour.



Through our agreement with GES, Nykredit is in dialogue with 16 companies regarding violation of international conventions or standards. In addition to this, we have excluded 12 companies whom we

have not been able to influence through dialogue. You can read more about this at nykredit.dk/invest.

Raising the awareness of sustainable investments

Through the UN's principles for responsible investments, Nykredit is obliged to raise the awareness of this area. To this end, Nykredit arranged a series of investor events in 2009 with both retail and institutional customers.

Nykredit also seeks to influence business partners to incorporate similar investment guidelines into their investment policies.

Portfolio without alcohol, tobacco and weapons manufacturers

To meet our customers' demand for entirely avoiding investments in companies dealing in weapons, tobacco or alcohol, Nykredit has decided to offer customers an option to invest through an association which does not invest in businesses in which over 5% of the annual revenue derives from tobacco, alcohol or weapons.

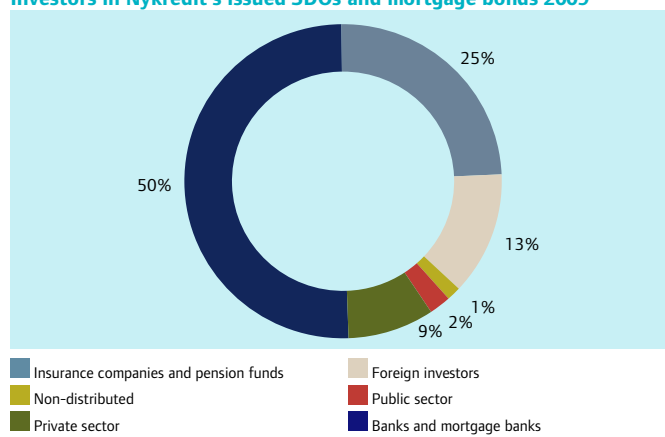
NYKREDIT BOND INVESTORS

Nykredit is the largest mortgage lender in Denmark and one of the largest private bond issuers in Europe.

Nykredit's bond issuance is dominated by Danish covered bonds (SDOs) and mortgage bonds. In addition to this, Nykredit has issued hybrid core capital and subordinate loan capital. Moreover, Nykredit Bank has issued bonds as part of its international funding programme.

The target is a broad and diversified group of investors and a well-functioning market for the bonds. A well-functioning market for Nykredit's bonds means favourable interest terms for Nykredit and our customers.

Investors in Nykredit's issued SDOs and mortgage bonds 2009



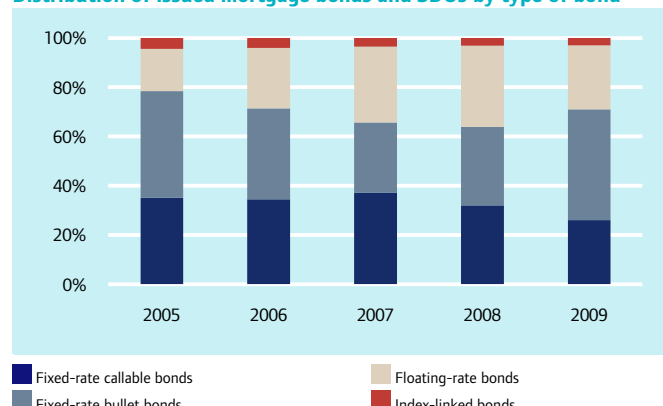
Due to the size of the Danish market for bonds for funding mortgage loans, the mortgage banking sector is a central element of credit intermediation in Denmark.

Nykredit's bonds

At end-2009, a nominal amount of DKK 996bn of mortgage bonds and SDOs had been issued.

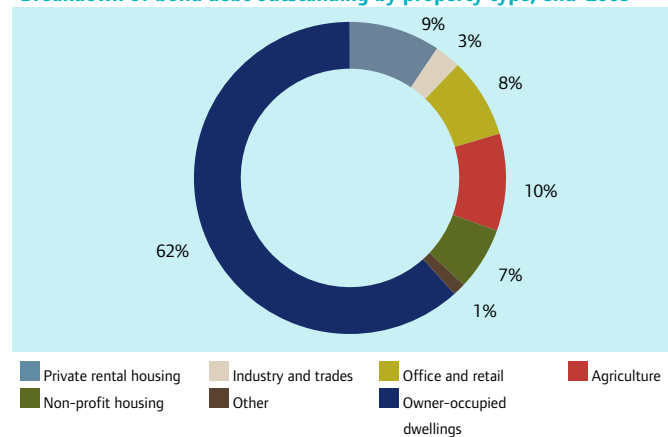
In connection with the refinancing auctions of adjustable-rate mortgages (ARMs) in 2009, bond issuance amounted to DKK 174bn. Tap issuance of bonds came to DKK 248bn in 2009. Nykredit refinances ARMs every year in March, September and December.

Distribution of issued mortgage bonds and SDOs by type of bond



The bulk of Nykredit's issued bonds is applied for financing owner-occupied dwellings.

Breakdown of bond debt outstanding by property type, end-2009



Most of the security underlying Nykredit's bonds is within 40% of the value of the property.

Bond debt outstanding by LTV range, end-2009

%	0-20	20-40	40-60	60-80	80-100	>100
Owner-occupied dwellings	33	29	22	12	3	0
Private rental housing	40	28	21	10	0	0
Industry and trades	44	32	18	5	1	0
Office and retail	43	32	19	4	1	0
Agriculture	50	32	14	3	1	0
Non-profit housing	-	-	-	-	-	-
Other	51	31	14	3	0	0
Total 2009¹	37	30	21	10	2	0

¹ Calculated on the basis of debt outstanding including non-profit housing for which reason the totals do not add up to 100%.

Note: The table allows for any financed costs. For example, a fully financed owner-occupied dwelling with financed costs of 2% will be placed in the LTV range > 80%.

Nykredit's social responsibility

ENVIRONMENT AND CLIMATE

The climate impact is a serious challenge to society. Being one of Denmark's largest financial services providers, we share the responsibility for a long-term environment and climate response.

Nykredit is working to improve the environment and climate:

- through dialogue to motivate staff, suppliers and customers to care about the environment and climate
- by containing Nykredit's own impact on the environment and climate on a current basis
- by including the environment and climate aspect in the development of products, concepts and advisory services, whenever relevant.

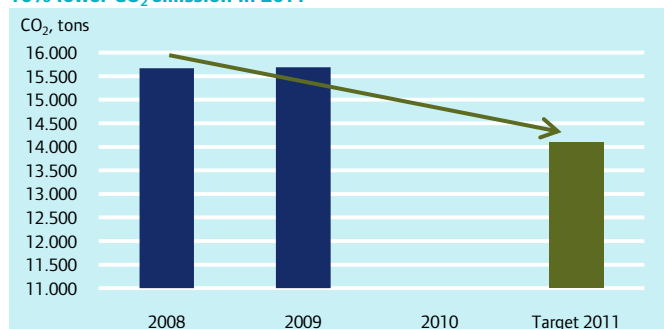
Nykredit concentrates on three focus areas:

- In-house environment and climate activities
- Customers and products
- Climate initiatives and partnerships.

In-house environment and climate activities

Nykredit has set a target of reducing the Group's carbon footprint by 10% in the period 2008-2011. The target relates to actual emissions – ie not to revenue or number of staff – and includes Forstædernes Bank.

10% lower CO₂ emission in 2011



Note: 2009 emission is a preliminary statement as specific consumption figures for heating and emission factors will not be available until later this year.

CO₂ emissions for 2009 were on a level with emissions for 2008 in spite of an 8% increase in the area of premises. However, this positive development conceals a large increase in CO₂ emission from transport by 10%. We have thus not managed to reverse the upward trend seen since 2007. In return, heat consumption per sqm dropped from 2008 to 2009.

To reach the 10% reduction target, we are gradually planning and implementing various measures.

These include the following environmental initiatives:

- The staff campaign Healthy Green Habits raises the awareness of what individual staff members can do to reduce the environmental impact (read more under "Nykredit's staff").
- Installation of new energy-saving LED lighting that uses less electricity and improves the indoor climate.
- Installation of automatic control systems in all Nykredit buildings so that technical installations are only running when required.

- Energy screening of Nykredit's buildings for the purpose of selecting and prioritising energy-saving projects.
- Conversion to virtual servers so that IT systems consume less electricity.
- Video conferences instead of physical meetings, which eliminate the CO₂ otherwise emitted from car or air transport.

Nykredit's new office building, the "Crystal", at Kalvebod Brygge in Copenhagen has a low-energy design



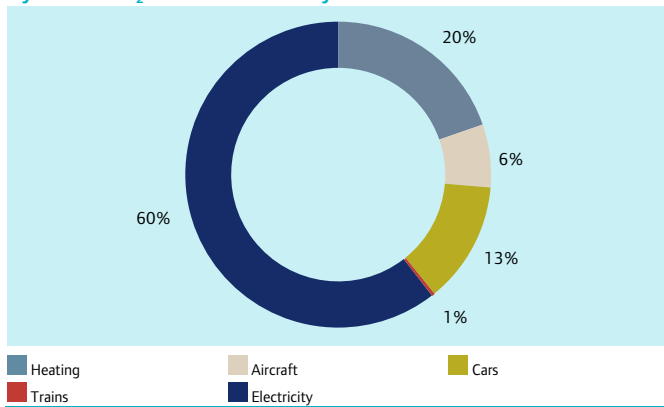
Resource consumption and CO₂ emission

	2008	2009
Resource consumption		
Electricity, MWh	19,071	18,627
Heating, MWh	27,036	27,085
Transport, 1,000 km	18,422	19,654
- of which by aircraft	6,688	6,467
- of which by car	10,335	11,656
- of which by train	1,399	1,531
CO₂ emission, tons		
Electricity	9,777	9,508
Heating	3,088	3,092
Transport	2,801	3,087
- of which by aircraft	963	1,039
- of which by car	1,791	2,007
- of which by train	47	41
Total CO₂ emission	15,666	15,687
Heated area, sqm		
Heated area, sqm	140,440	151,831
Heating/sqm (kWh)	193	178
CO ₂ emission per full-time staff (tons)	3.81	3.68

We want to assume our part of the responsibility for reducing the resource consumption. And we want to make a tangible reduction. This is necessary if society at large is to reduce its emission. We have furthermore set a short deadline for meeting our target. This is because we believe words to be binding, and, in fact, we are already well underway.

Peter Engberg Jensen, Group Chief Executive

Nykredit's CO₂ emission in 2009 by source



Purchasing policies

Nykredit introduced new purchasing policies in 2009 and formulated guidelines so that Nykredit's purchases keep a balance between environmental, ethical and financial considerations. The policies include:

- Suppliers and subsuppliers must act responsibly and ethically correct in relation to the environment
- All contractual relations are to include requirements for responsibility and ethics in relation to child labour, forced labour, general labour standards and the working environment.
- All printed matter from Nykredit is printed on paper carrying the Nordic ecolabel the Swan.
- Primary cleaning products are low environment impact products.
- All new lighting fixtures are energy-saving models.

Customers and products

Danish households account for 40% of Denmark's energy consumption. Nykredit's contact with homeowners through lending activities is a natural opportunity for us to promote energy-saving measures in their homes.

Nykredit's Energy Account and Totalkredit's energy calculator are aimed at demonstrating homeowners' options to reduce their energy consumption for the benefit of the climate and their personal finances.

Green Insurance

In 2009 Nykredit launched Green Insurance offering environment-friendly repair of claims covered by Nykredit's Buildings Insurance. Customer benefits:

- environment-friendly and sustainable materials
- repair of defective building insulation
- paint, insulation materials, etc, certified as eco-friendly by the EU or Nordic ecolabels or other certificates
- grant of up to DKK 25,000 for energy-saving front doors and windows in case of damage
- grant of up to DKK 25,000 for environmental improvements of homes in connection with damage
- free energy check at claims over DKK 250,000.

Climate initiatives and partnerships

Nykredit's environmental and climate activities focus on entering into partnerships, dialogue with our stakeholders and sponsoring good initiatives.

Main sponsor of the Climate Consortium Denmark

In 2008 and 2009 Nykredit was the main sponsor of the Climate Consortium Denmark – a public/private partnership. The mission of the Climate Consortium Denmark was to ensure that the competencies and products of Danish businesses and knowledge institutions in the climate and energy area were marketed in the best way possible up to the UN Climate Change Conference, COP15, held in Copenhagen in December 2009.



Nykredit Barometer

In autumn 2009 Nykredit literally took the temperature of the Danes' effort to save energy, and not least their motivation. The survey showed that Danes are already making quite an effort to save energy. And they would do more if they could save money in the process. Read more at nykreditbarometer.dk.



SOCIAL INITIATIVES

Social partnership

In 2009 and 2010 the Mary Foundation, Mødrehjælpen (Mothers Help) and Nykredit are partners in a project offering free and independent personal, financial and legal counselling to battered women and other women at risk in the metropolitan area.

The objective of the project "Råd til Livet" is to help a total of 600 women during the project period. The project is targeted at women who have been exposed to physical or mental violence, women in relationships where money is used as a means of control or who have lost control of their financial situation because of other serious personal problems.

As voluntary financial mentor in the project, I provide counselling to women with financial and personal problems. My job is to help the women believe in themselves and get control of their financial situation so that they can gain more energy for themselves and their kids.

Karin Steffensen,
Credit Specialist and mentor

At Nykredit, 14 staff members are currently volunteering as financial mentors in the project. The counselling aims at covering all aspects of the women's financial situations and helping them to help themselves.

The women receive concrete tools and good advice, enabling them to get a clear picture of their situation, draw up budgets and manage debts and any overspending. As project volunteers, the Nykredit mentors draw on their professional experience and empathy in assisting the vulnerable women.

New Network

In 2009 the fourth team of mentors in the New Network project began working, consisting of 11 Nykredit staff members. The project supports, guides and motivates unemployed non-ethnic Danes in their job search. The non-ethnic Danes get a mentor who will share his or her experience and knowledge; the mentor's network is also a good resource. Nykredit provides facilities for the project, matches non-ethnic Danes with their mentors, arrange meetings and offer training activities. So far, a total of 52 Nykredit staff members have volunteered as mentors.

It has been a pleasure to participate in the project. As mentors we have had an opportunity to get to know people from all over the world, help talented candidates find their way in Denmark and experience the large number of Nykredit staffers who want to and have the energy to do a good thing for others. It has been a rewarding process, both professionally and on the personal level.

Ove Feddersen, First Vice President
Mentor of New Network

During the first three mentor periods, nearly all the non-ethnic Danes found a job. In the fourth period, over half of them have found jobs so far.

New Network is implemented in cooperation with Junior Chamber International that enrolls unemployed non-ethnic Danes in the project.

SPONSORSHIPS AND GRANTS

Nykredit wants to make a difference and continuously supports initiatives within arts and culture, research, sports and humanitarian work.

Sponsoring agreements with institutions of arts, culture and sports as well as education establishments play a natural role in the constant task of raising awareness about the Nykredit Group and strengthening the existing network and building new ones.

Nykredit's sponsorships totalled DKK 15m in 2009. Nykredit's sponsorships:

- Nykredit Copenhagen Marathon – main sponsor
- Louisiana - Louisiana Contemporary
- National Gallery of Denmark – x-rummet
- Dansk Golf Union – main sponsor and sponsor of Nykredit Challenge & Creating Winners
- The Royal Danish Theatre – main sponsor and sponsor of the concerts "Under åben himmel" and "Opera i det fri"
- Copenhagen Business School
- The Royal Danish Academy of Fine Arts' Schools of Visual Arts – main sponsor

- The research centre Danish Center for Accounting and Finance (D-CAF)
- Climate Consortium Denmark – main sponsor.

Nykredit Copenhagen Marathon

In 2009 Nykredit entered into a three-year agreement with Sparta Atletik on a title and main sponsorship of the Copenhagen Marathon. The sponsorship is part of Nykredit's forward-looking initiatives in the field of sports.

The Nykredit Foundation

The Foundation is managed by Nykredit Realkredit A/S and has a capital of DKK 100m. The Nykredit Foundation awarded DKK 6.8m in 2009, of which DKK 500,000 to Nykredit's Architecture Prize and DKK 100,000 to Nykredit's Prize for Meritorious Work awarded to one or more talented architects for an outstanding architectural effort.

Open-air opera, Aabenraa



Examples of grants from the Foundation in 2009

- DKK 50,000 to Børns Vilkår for furniture
- DKK 250,000 to ARoS museum of art for purchasing a work by Jeppe Hein
- DKK 100,000 to Glasmuseet Ebeltoft for the exhibition and activity project "Flora - Botaniske oplevelser i kunst og have"
- DKK 25,000 to Dansk Handicap Idræts-Forbund for the 10th Paralympic Winter Games
- DKK 100,000 to Ejendomsforeningen Danmark for publication of a book on the occasion of its 150th anniversary in 2010
- DKK 60,000 to Odense University Hospital for television equipment for 18 beds in intensive care unit
- DKK 50,000 to Danish Red Cross' for services for the terminally ill
- DKK 500,000 to the Danish Center for Accounting and Finance for research initiatives within accounting and finance and the field where the two research areas overlap
- DKK 150,000 to Archipress M, architect Marianne Ibler, for the book Global Danish Architecture
- DKK 25,000 to Natteravnene (Night Owls) for information leaflet for children and adults and a recruitment/information leaflet for adults
- DKK 100,000 to Støtteforeningen til bevarelse af Gammelby Mølle for restoration of the mill
- DKK 113,000 to the Ordrupgaard Collection for the exhibition "Emil Nolde og Danmark".



Nykredit's staff

In 2009 the average number of staff at Nykredit was 4,610.

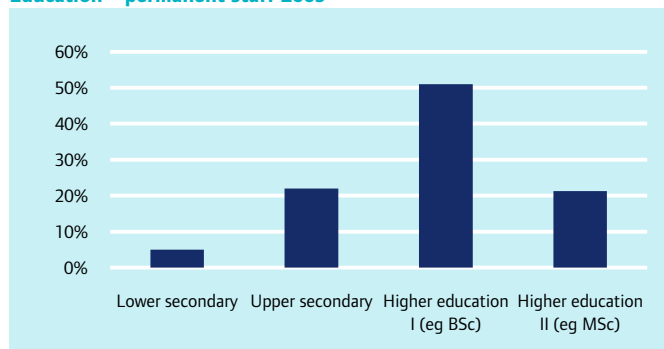
Permanent staff

	2007	2008	2009
Permanent staff, year-end	3,193	3,531	4,061
- Of which part-time staff	333	367	490
Staff paid by the hour	642	729	601
New staff	485	687	202
Outflow	428	349	243
New staff as % of permanent staff	15.9	21.5	4.9
Outflow as % of permanent staff	14.0	10.9	5.9

Note: Permanent staff exclude canteen, cleaning and other staff as well as Nykredit Leasing and Poland. The staff of Forstædernes Bank are included from 2009 (571 at 1 Jan/536 at 31 Dec).

Nykredit's staff is well educated. In 2009 51% of Nykredit's staff had a short or medium-term higher education, while 21% of the staff had a long-term higher education.

Education – permanent staff 2009



With an average age of 42, Nykredit's staff is younger in relative terms than the financial sector average. The average length of service was 8.1 years in 2009 compared with 12.8 years for the sector in general.

Innovation

"New Thinking" was launched as a communication platform in Nykredit in 2006, and in 2008 it was introduced as a new common core value. Throughout 2009 Nykredit has focused on working actively on innovation. Nykredit's managers have completed New Thinking training programmes to further stimulate a corporate culture that motivates all of us for new thinking. Nykredit's managers have been trained in various tools and techniques to promote new thinking and staff commitment.



The New Thinking programme gives you a toolbox that inspires you to take a much more in-depth approach to generating new ideas, instead of proceeding with the first idea that springs to mind. It makes you much more open-minded.

Steen Normann Olsen, Centre Manager

Internal mobility and performance

In 2009 Nykredit intensified its focus on internal mobility and performance. At Nykredit, performance is not just about sales figures, but also about ambition, customer satisfaction, assisting your colleagues, cooperation and intercompany mobility.

One of the Group's new business concepts is resource mobility. We encourage our staff to be more prepared to change seats and job contents.

We will really be striking a blow for internal career development. We must develop our staff even more in future to create a wide competence pool in terms of both generalist profiles and the Group's specialists and managers at all levels. The natural next job should as far as possible be within the Group, considering its wealth of opportunities.

Bente Overgaard, Group Managing Director

Nykredit Academy

As part of Nykredit's focus on performance, the Group has launched Nykredit Academy. Nykredit Academy is a training programme targeted at key staff working with areas of strategic importance to the Nykredit Group and having the potential to develop professionally either in their current jobs or across the Group.

The special development training under Nykredit Academy is to ensure that key staff members, both in business areas and staff functions, have optimum conditions for growth so that they may support the strategic development of the Group.

Annette Schmith, Senior Vice President

The first two programmes of Nykredit Academy are New Thinking, which strengthens and nurtures creativity, and Financial Advice and Sales. All training programmes at the Nykredit Academy are certified. They end by a final examination and participants get a diploma as evidence of their new competencies.

Healthy Green Habits

The staff campaign, Healthy Green Habits, is aimed at reducing Nykredit's environmental impact by raising the awareness of what the individual staff member can do to reduce the environmental impact – in other words, healthy green habits. Nykredit's New Thinking universe is a natural element of the campaign.



Through surveys, films, e-learning tools and not least a team of climate ambassador volunteers, Nykredit's staff are encouraged to print on both sides of the paper, use less paper, shut down the computer, clean up electronic files and sort the waste better. The campaign will continue in 2010. Idea boxes and intranet blogs collect ideas for the ongoing campaign.

I am very pleased to be Climate Ambassador at Nykredit. It has made me more aware and better at cutting down on CO₂ emission, both at the job and at home.

Sema Kilic, Customer Adviser

Balance

Nykredit's business concept of Financial Sustainability implies that our staff members and managers must have room to unfold their full potential while maintaining a work-life balance. In 2009 Nykredit introduced the life phase model, which is a tool for finding this balance. The life phase model couples ambitions and commitment with needs and wishes for different phases in life.

Nykredit's life phase model



The life phase model is a tool for obtaining an overview of options that can help the individual staff member to achieve a good work-life balance. The life phase model is used as an active tool during performance and development reviews between managers and staff members.

Thanks to Nykredit's focus on life phases, I could slow down my career for a while and take four month's leave. I have felt privileged to have the opportunity to be with my daughter round the clock and watch her development at close range at our own pace.

Thomas Bolbro, Project Consultant

Diversity

At Nykredit, we believe that visions and business objectives can be achieved through diversity, and by improving the Group's ability to utilise this diversity on a continuous basis. At Nykredit, staff diversity, say in the form of gender, age, educational background or ethnicity, is considered a resource.

As a natural consequence of Nykredit's focus on diversity, Nykredit signed a charter in 2008 for more women in management. The charter contains seven items, setting out target figures for women in management, creating favourable conditions for career development and sharing experience in this field with other enterprises, etc. As part of this work, Nykredit has set the following targets for the number of female managers in 2015:

Share of female managers

%	1996	2007	2008	2009	Target 2015
Executive management	3	13	10	12	25
Middle management		16	18	20	30
Lower management	14	38	38	35	45

The development in the share of women in management progresses slowly, with both minor improvements and minor setbacks at the different management levels. Against this background, there is reason to maintain the effort towards 2015 to have more women in management.



In 2009 Nykredit took various initiatives to encourage more women to apply for management positions. For example, a number of network meetings were arranged in cooperation with IBM for female managers and women who were interested in management jobs at Nykredit.

Gathering female managers across Nykredit and IBM was a great initiative. In addition to some interesting presentations about career paths and career choices, it was a good opportunity to network and exchange experience.

Gitte Helth, Head of Development

It has been decided that, in connection with recruitment for management positions, both female and male candidates must be selected for the final phase. This applies to internal manager recruitment as well as recruitment through headhunters.

Nykredit has a mentor scheme for new and coming managers who have attended Nykredit's training programme for pre-managers. The mentor scheme aims to offer new and coming leaders access to the knowledge, insight and experience that more experienced managers possess. The aim is to help new managers adjust to their new role as managers and to support potential managers in their career development.

In terms of my career, Nykredit's mentor programme gave me the last push towards applying for a manager position. On the practical level it gave me someone to guide me with regard to more challenges in my job, and on the personal level it gave me a good friend.

Annelise Warrer, First Vice President

New organisation and change management

Nykredit's new strategy and organisation imply that many staff members and managers have been assigned a new place in the organisation, with new assignments and new colleagues. To equip our managers for tackling the many changes, Nykredit has developed a change model that managers may apply as inspiration and support when drawing up plans and implementing changes following from Nykredit's new strategy.

Acknowledging at group level the magnitude and significance of the actual strategy implementation is a very important signal. The change model is an inspiring toolbox that provides a good basis for structuring the implementation phase.

Lene Qvist, First Vice President

Much more than a workplace

In 2009 Nykredit continued to focus on branding Nykredit as an attractive workplace. Nykredit introduced a new employer brand: Much more than a workplace.

The employer brand embraces Nykredit's visions as a workplace, and the message has been disseminated both internally and externally through nykredit.dk/job, Nykredit's intranet, films, Facebook and events for existing and potential staff.

Nykredit's image as a workplace has been strengthened. Nykredit went up five places on Reputation Institute's list of enterprises' workplace reputation, measured among all students enrolled in higher education programmes in 2009.



Nykredit's staff are satisfied with their jobs, which is reflected in the surveys of the mental and physical working environment conducted regularly by Nykredit.

Absence due to illness constitutes 3.4% of available working hours.

Absence due to illness as % of working hours

%	2007	2008	2009
Illness	3.7	3.4	3.4
Child's illness	0.5	0.4	0.5

Nykredit's ownership structure and capital policy

OWNERSHIP STRUCTURE AND HISTORY

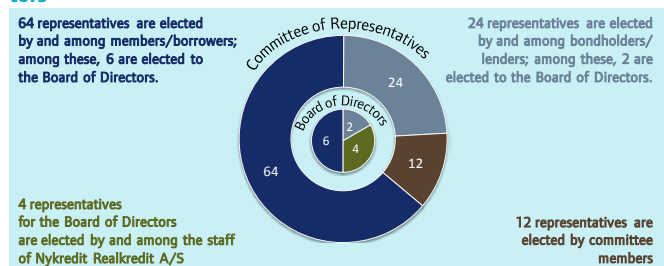
Through Nykredit Holding A/S, the Nykredit Realkredit Group has four owners - Foreningen Nykredit, Industriens Fond, Foreningen Østifterne and PRAS A/S (owned by the regional and local banks that make up Totalkredit).



The object of Foreningen Nykredit (the Nykredit Association) is to be an owner of the Nykredit Group and to ensure Nykredit's ability to carry on mortgage and other financial business now and in future.

The ultimate authority of Foreningen Nykredit is the Committee of Representatives, which is composed of 100 representatives who are elected by the members and bondholders. The Committee elects the Board of Directors of the Association and approves the annual reports and any amendments to the articles of association.

Composition of the Committee of Representatives and Board of Directors



All customers who have a mortgage loan with Nykredit Realkredit A/S gain membership of Foreningen Nykredit. Membership lapses automatically on the date on which a borrower ceases having a Nykredit mortgage loan.

Members are entitled to vote at elections of representatives in the electoral district in which they own a property.

Members may also be elected to the Committee of Representatives by running as candidate in the area where they live or in one of the areas in which they own a property. In order to run for election, candidates must be endorsed by at least 25 other members of the Association in their electoral district or by the Board of Directors.

Bondholders with a bond portfolio in excess of DKK 25,000 are entitled to vote at the election for the Committee of Representatives.

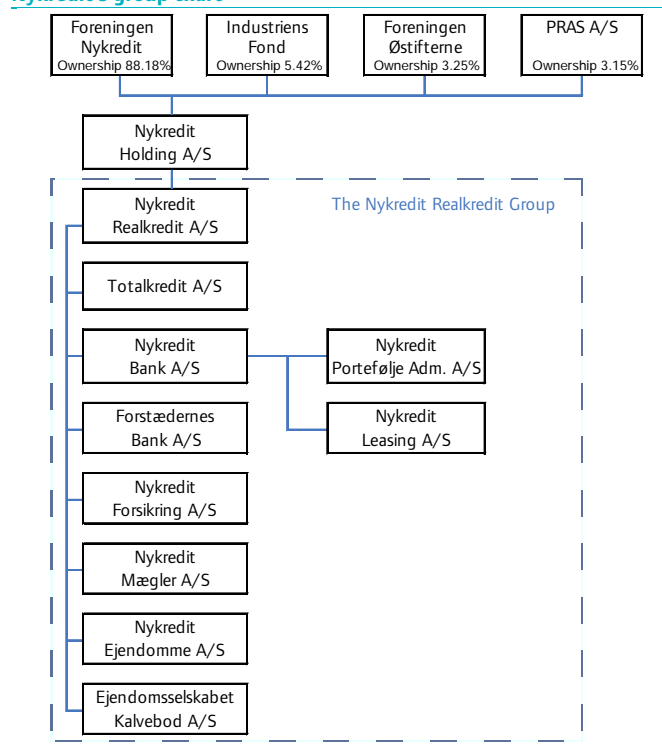
Only bondholders running as candidates are eligible. Denmark is not divided into electoral districts for bondholders.

Bondholders may run for election if they are endorsed by at least 25 other bondholders or by the Board of Directors.

The election is announced towards the end of the year in the daily newspapers and at nykredit.dk.

Unlike the case for other major financial services groups in Denmark, Nykredit's ownership structure makes it difficult to raise new capital in equity markets, be it for strategic investments or when there is a need for extra resources during difficult times. In consequence, Nykredit makes long-term plans and pursues a capital policy that ensures its lending capacity also in times of financial hardship.

Nykredit's group chart



History of Nykredit

1851	Formation of Kreditforeningen af Jydske Landejendomsbesiddere – the oldest of the mortgage associations that later merge into Nykredit
1985	Kreditforeningen Nykredit is formed by a merger of Jyllands Kreditforening and Forenede Kreditforeninger
1989	Estate agency business is set up
1991	Kreditforeningen Nykredit is converted into Nykredit A/S
1992	Merger with Industrifinansiering A/S
1994	Nykredit Bank is set up
1998	Nykredit Forsikring is set up
2000	Østifterne Forsikring is acquired and merged with Nykredit Forsikring
2003	Acquisition of Totalkredit
2008	Acquisition of Forstædernes Bank

UNIQUE DANISH MORTGAGE SYSTEM

Both before and during the financial crisis, the Danish mortgage system has been recognised as one of the best in the world.

The system is founded on

- low lending rates based on listed bonds
- transparency as regards pricing and repayment terms
- the balance principle, which secures long-term financial stability.

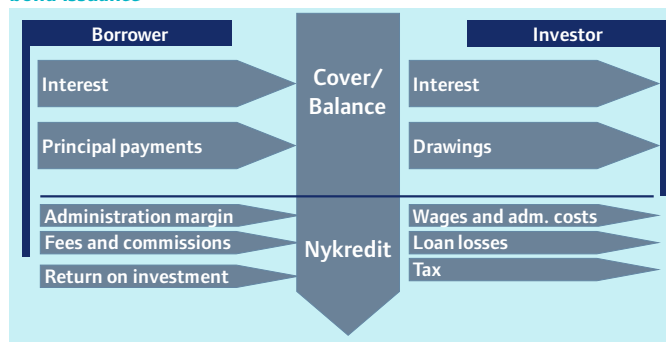
The stability of the Danish mortgage system ensures that Nykredit can offer homeowners mortgage loans and investors secure bonds, even during a financial crisis. In 2009 Nykredit increased its mortgage lending to homeowners by DKK 69bn and maintained its capacity to sell bonds on a daily basis.



Balance principle and match funding

The balance principle is a cornerstone of the Danish mortgage system.

The balance principle ensures a match between mortgage loans and bond issuance



The stability of the Danish mortgage market derives from the match funding of most Danish mortgage loans. Match funding means that loans and funding mirror each other, and the funding costs are reflected in the loan.

Match funding eliminates interest rate, foreign exchange, liquidity and refinancing risk of mortgage loans. The most important risk of Danish mortgage banks is therefore credit risk – the risk that borrowers fail to make timely payments or fail to pay at all.

Match funding allows customers to prepay their loans by purchasing the underlying bonds on the stock exchange. This principle ensures financial mobility, an active debt management option and protection against a loss of home equity.

Security

Security underlying investment in Danish mortgage bonds is based on the following factors:

- The bonds are secured against a registered mortgage on real property
- Loan-to-value (LTV) ratios for loans in the different property categories are laid down by law
- If property prices fall and LTV ratios are thereby exceeded, the mortgage bank must provide additional security by way of Danish covered bonds (SDOs)
- The mortgage banks comply with a number of statutory requirements such as that of capital adequacy
- Mortgage banks apply a balance principle which reduces potential risk in relation to lending
- Mortgage banks are supervised by the Danish Financial Supervisory Authority.

History of the Danish mortgage system

The first Danish mortgage bank was founded after the Copenhagen fire in 1795 which caused a considerable need for funding to rebuild the city. Since 1851 Nykredit has provided loans secured by mortgages on real property on the basis of matching issuance of highly secure bonds.

In spite of the long history, no Danish mortgage bank has ever become insolvent. Throughout the major economic crises – the agricultural crisis in the 1880s, the depression in the 1930s, the aftermath of the government austerity programme in 1986 and during the financial crisis in 2008 and 2009, the Danish mortgage market has proved its strength, witnessed by the fact that the losses recorded by Danish mortgage banks have never accounted for more than one percent of total lending.

The Danish market for bonds for the funding of mortgage loans is among the oldest in Europe as well as the largest and most liquid market.

SUSTAINABLE CAPITAL POLICY

Owing to the frozen capital markets, the general economic uncertainty and tighter credit terms, the financial sector saw a decrease in lending volumes to Danish borrowers in 2009.

Because of Nykredit's capital policy, we maintain our ability to provide loans to Danish borrowers, even during an economic downturn. Nykredit's total lending increased in 2009 by DKK 56bn, whereas the sector as a whole saw a decline.

The capital policy contains guidelines on how to set aside capital for reserves, and how much. These reserves should be seen as a buffer against recessionary periods.

Danish legislation lays down a minimum capital requirement in order for Nykredit to fulfil its obligations as lender. The statutory capital requirement increases with the risk incurred by Nykredit. Nykredit's risk is calculated by means of statistical models based on customers' ability to pay and subsequent losses and arrears.

Losses and arrears have a direct impact on Nykredit's bottom line, leaving lower earnings to be retained for reserves. Increasing losses and arrears also cause the statutory capital requirements to increase. Losses and arrears generally rise during an economic recession.



Since Nykredit typically grants mortgage loans with terms of 20-30 years, one or more recessionary periods are likely to occur during the loan term. Nykredit has structured its capital policy so that, regardless of the current economic climate, the size of the capital reserves is always adjusted to the requirement during a severe recession. In consequence, Nykredit can maintain its lending activities during a severe recession, such as the recession in Denmark in the early 1990s.

Coupled with a prudent credit policy and sound business operations, the capital policy forms the basis of Nykredit's ratings assigned by international credit rating agencies. Nykredit's SDOs have been assigned top ratings by Moody's (Aaa) and Standard & Poor's (AAA).

Nykredit's ratings for new issues

	Moody's	S&P
SDOs	Aaa	AAA
Long-term unsecured rating	A1	A+

Nykredit's capital reserves illustrated by a division of equity

DKK billion	2009
Business capital - Pillar I	25.7
Statutory capital requirement in favourable economic climate	
Business capital - Pillar II	6.9
Additional statutory capital requirement during a mild recession	
Cyclical buffer	13.2
Additional capital requirement during a severe recession	
Statutory deductions	5.2
Strategic capital	0.2
Total equity	51.2

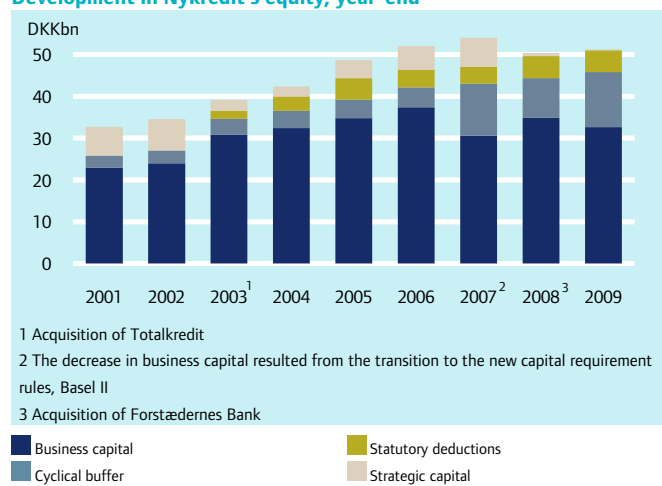
Business capital is the amount of capital which Nykredit must set aside according to law. The business capital amounted to DKK 32.6bn at end-2009.

The cyclical buffer must cover the expected increase in the statutory capital requirement in case of a severe recession. Nykredit keeps a cyclical buffer at all times. At end-2009 it amounted to DKK 13.2bn.

Statutory deductions are partly time-limited rights under the partnership agreement with the regional and local banks behind Totalkredit, partly goodwill from the acquisitions of Totalkredit and Forstædernes Bank. At end-2009 statutory deductions came to DKK 5.2bn.

Strategic capital is the equity component that may be applied for business growth. Strategic capital amounted to DKK 0.2bn at end-2009.

Development in Nykredit's equity, year-end



Nykredit in figures

The Nykredit Realkredit Group – Core earnings and investment portfolio income

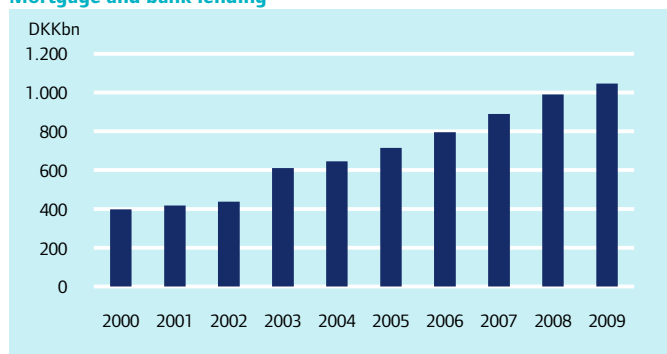
DKK million	2009	2008	2009	2008 ³
Core income from	Excluding FB	Excluding FB	Including FB	Including FB
- Business operations	8,374	7,153	9,206	7,411
- Kalvebod issues ¹	139	(402)	139	(402)
- Securities	863	2,233	855	2,265
Total	9,376	8,984	10,200	9,274
Operating costs, depreciation and amortisation – excluding special value adjustments	5,185	4,926	5,828	5,072
Operating costs, depreciation and amortisation – special value adjustments ²	396	224	396	225
Commission – government guarantee scheme	351	81	500	112
Core earnings before impairment losses	3,444	3,753	3,476	3,865
Impairment losses on loans and advances – mortgage lending	1,755	416	1,755	416
Impairment losses on loans and advances – the Nykredit Bank Group	1,002	718	1,002	718
Impairment losses on loans and advances – Forstædernes Bank	-	-	4,845	246
Impairment losses on loans and advances – government guarantee scheme	223	45	318	63
Core earnings after impairment losses	464	2,574	(4,444)	2,422
Investment portfolio income	4,554	(3,071)	4,718	(3,277)
Profit (loss) before costs of capital	5,018	(497)	274	(855)
Net interest on hybrid core capital	(95)	(25)	(95)	(25)
Profit (loss) before tax	4,923	(522)	179	(880)
Tax	1,242	(111)	50	(185)
Profit (loss) for the year	3,681	(411)	129	(695)

¹ Includes value adjustment of the portfolio of subordinate loan capital in Danish banks.

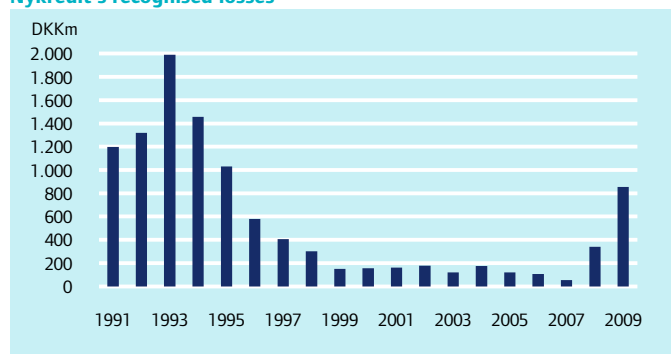
² Special value adjustments include value adjustment of some staff benefits and owner-occupied properties as well as costs of winding up Dansk Pantebrevsbørs in bankruptcy.

³ Forstædernes Bank has been included in the Consolidated Financial Statements as from 17 October 2008.

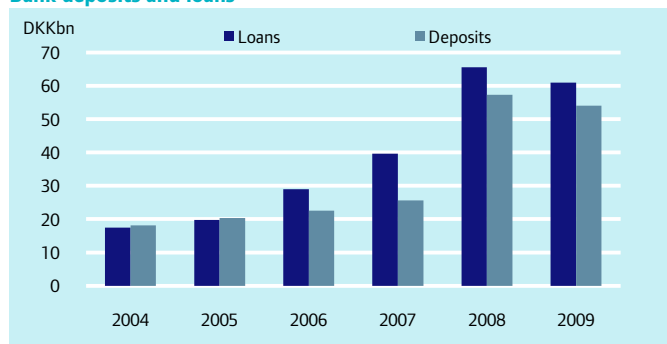
Mortgage and bank lending



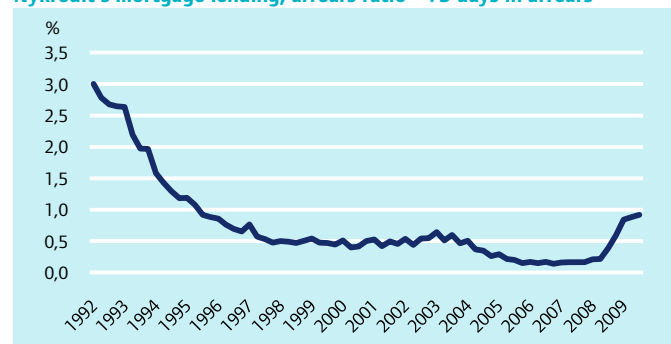
Nykredit's recognised losses



Bank deposits and loans



Nykredit's mortgage lending, arrears ratio – 75 days in arrears



Impairment losses for 2009, %

Nykredit Realkredit	0.2
Totalkredit	0.1
The Nykredit Bank Group	1.3
Forstædernes Bank	20.9
The Nykredit Realkredit Group	0.7

Financial ratios 2009

Core earnings before impairment losses as % of average equity, pa	6.8
Core earnings after impairment losses as % of average equity, pa	(8.7)
Core capital ratio, %	16.7
Capital adequacy ratio, %	17.8
Average number of full-time staff	4,610

Reporting policies

The contents of this report pertain to all activities of the entire Nykredit Realkredit Group, including subsidiaries. In this report, the Nykredit Realkredit Group is referred to as Nykredit or the Nykredit Group. The reporting principles apply to the data which Nykredit has found material. As a main rule, the latest data available have been applied in this report.

The report is included in the auditing of the Management's review in the Annual Report 2009.

Due to rounding-off, the sum totals of the tables in the report may differ from the sum of the figures.

Nykredit's customers

The total number of customers has been adjusted so that multi-account customers only appear once.

In the table "Nykredit's lending growth", mortgage lending has been measured at nominal value, and bank lending has been measured at amortised cost after impairment (excluding reverse transactions).

In the figure "Lending growth, Nykredit and the market", lending figures derive from the statistics for monetary financial institutions, known as MFI statistics. The figures exclude loans to MFIs, but include reverse transactions. Figures for 2009 include Forstædernes Bank.

The market share of Danish mortgage lending is determined in nominal terms on the basis of the statistics prepared by the Association of Danish Mortgage Banks. Mortgage lending excludes loans secured by mortgages on foreign real property.

The market share of assets under administration is determined on the basis of the official statistics prepared by the Federation of Danish Investment Associations.

The market share of insurance business is determined as the share of gross premiums earned on the basis of the Danish Financial Supervisory Authority's statistics on non-life insurers. Only companies subject to Danish supervision are included in the determination. Companies and business sectors not included in Nykredit's business areas are excluded from the determination. Market share data on insurance relate to 2008.

The market share of bank deposits and lending is determined in nominal terms on the basis of the statistics on the balance sheets and flows of the MFI sector prepared by Danmarks Nationalbank.

Total customer complaints exclude complaints by customers with the Danish local and regional banks of the Totalkredit partnership. The principle of determination is the number of complaints received in the year under review, and the number of adjudicated cases in respect of complaints brought before the appeals board.

Data on the ownership distribution of Nykredit bonds covers up to and including November 2009. The category non-distributed ensures

investor confidentiality subject to the following confidentiality requirements:

- The principle of numbers: Portfolio data on a given investor sector must comprise the portfolios of at least three investors.
- The principle of dominance: The portfolio of a given investor must not exceed 90% of the total portfolios of the sector.

The bond debt outstanding by property type is computed at nominal value.

Nykredit's focus on society

The environmental and climate report includes companies in Denmark wholly owned by Nykredit throughout the financial year. Partially owned subsidiaries and foreign activities are not included, with the exception of JN Data, which has been included on the grounds of materiality at a proportion equal to Nykredit's stake. Transport figures exclude JN Data and Nykredit Leasing.

In accordance with Nykredit's policy to reduce our CO₂ emissions by 10% from 2008 up to and including 2011, figures for the baseline year 2008 are adjusted for changes resulting from acquisitions or divestments during the year. As the duty of reduction also applies to acquisitions, 2008 emissions by acquired assets are added to Nykredit's total emissions for 2008. Data for 2008 are adjusted relative to last year's report, partly because consumption data for Forstædernes Bank were not yet available at the time.

Resource data also include leased premises. Consumption of electricity is computed on the basis of meter reading.

In calculating CO₂ emission per full-time equivalent staff member in tonnes, degree-day adjusted CO₂ emission from heat consumption is applied, thereby enabling year-on-year comparison.

Heat consumption is determined on the basis of meter reading for Nykredit's own properties. Consumption relating to leased premises is determined on the basis of the statement of heating expenses of the premises and Nykredit's share of consumption (usually in terms of floor area).

Heating sources are district heating, natural gas and heating oil.

Air transport is computed on the basis of data from the travel agencies used by Nykredit.

Car transport covers work-related travel by company car (50% work-related driving), taxi or own car. Staff transport to and from work is not included.

Rail transport is computed on the basis of emission of 27 g CO₂/person/km and an average price of DKK 0.8/km.

CO₂ emission is computed on the basis of consumption and the emission factors shown below. The emission factors for electricity and district heating are determined based on a heat efficiency of 200% with the addition of a 5% net loss.

Emission factors

	Emission factors	Sources:
Consumption of electricity in Eastern Denmark (Sealand and the islands)	500g CO ₂ /kWh (2008)	energinet.dk
Consumption of electricity in Western Denmark (Jutland and Funen)	526 g CO ₂ /kWh (2008)	energinet.dk
District heating*	115g CO ₂ /kWh (2008)	Energy statistics by the Danish Environmental Protection Agency
Natural gas	205.9g CO ₂ /kWh	Key2Green.dk
Heating oil	266.4g CO ₂ /kWh	Key2Green.dk
Flights under 600 km	150g CO ₂ /pers. km	The British Department for Environment, Defra
Flights over 600 km	110g CO ₂ /pers. km	The British Department for Environment, Defra
Train travel	27g CO ₂ /pers. km	DSB
Cars – company cars and cars under gross salary contracts	Diesel: 2.65kg CO ₂ /litre Petrol: 2.40kg CO ₂ /litre	The Danish Environmental Protection Agency's standard factors for heating values and CO ₂ emission
Work-related travel by own car	175g CO ₂ /km	Key2Green.dk
Taxis	148g CO ₂ /km	Key2Green.dk

*Emission factors for 2009 are published in April 2010.

See also Nykredit's environmental and climate reporting for calculation details.

The energy consumption of the Crystal is estimated at 63.8 kWh/sqm/year, which is 33% below the maximum limit for standard office buildings of 95.3 kWh/sqm/year. The Crystal is designed to comply with low-energy class 2 set out in BR08 of the Danish building regulations.

Nykredit's staff

The number of staff is an average for 2009 on the basis of the Group's total ATP (Danish Labour Market Supplementary Pension scheme) contributions for the year relative to the ATP contribution for one full-time staff member. Staff in companies where Nykredit exercises control has been included in proportion to the respective ownership interests.

Part-time staff have been determined as the number of permanent staff working less than the number of hours required of a permanent staff member under the group collective agreement.

Inflow and outflow of permanent staff reflect permanent staff joining or leaving the Group's wholly-owned companies. The percentage is determined on the basis of permanent staff at the beginning of the year.

The number of managers in Nykredit is computed as the number of managers having staff responsibility.

Illness has been measured as the working days lost due to illness of permanent staff in proportion to the potential working hours, ie fixed working hours, excluding holidays, etc.

Nykredit's ownership structure and capital policy

PRAS A/S is owned by the regional and local banks that make up Totalkredit. The company was formed in connection with Nykredit's acquisition of Totalkredit in 2003.

Nykredit's lending to homeowners in 2009 is measured as total mortgage lending at nominal value.

Nykredit in figures

Nykredit's mortgage lending has been stated in nominal terms and bank lending at amortised cost, excluding reverse transactions. Lending includes foreign lending. Lending figures from and including 2006 are presented in accordance with IFRS.

Nykredit's realised losses are losses recognised on bank and mortgage lending. Losses for 2008 include the loss incurred on the Private Contingency Association relating to Roskilde Bank and the EBH Group.

Bank deposits and loans cover the business areas Retail Customers, Commercial Customers and Forstædernes Bank, and are stated at year-end.

Mortgage lending for calculation of the provisioning rate of Nykredit Realkredit is based on loans and advances at nominal value and arrears and outlays at fair value.

Mortgage lending for calculation of the provisioning rate of Totalkredit is based on loans and advances at nominal value and arrears and outlays at fair value.

Bank lending for calculation of the provisioning rate of Nykredit Bank is based on loans and advances at fair value, loans and advances at amortised cost, guarantees excl the government guarantee scheme as well as individual and collective impairment provisions. Impairments are exclusive of the government guarantee scheme.

Bank lending for calculation of the provisioning rate of Forstædernes Bank is based on loans and advances at fair value, loans and advances at amortised cost, guarantees excl the government guarantee scheme as well as individual and collective impairment provisions. Impairments are exclusive of the government guarantee scheme.

Nykredit's bank deposits and loans are for loans determined exclusive of guarantees and reverse transactions.

The arrears ratio is based on payments 75 days in arrears relative to total mortgage payments in a settlement period. The curve covers four annual settlement periods. The last settlement period is September 2009.

Nykredit Realkredit A/S
Kalvebod Brygge 1–3
DK-1780 Copenhagen V
Tel +45 44 55 10 00
www.nykredit.com
CVR no: 12 71 92 80

You can read more about the Nykredit Group at nykredit.com, including the reports:

- Annual Report 2009
- About Nykredit 2009 – Financial Sustainability
- Risk and Capital Management 2009

Information about Corporate Governance is available at nykredit.com/aboutnykredit