

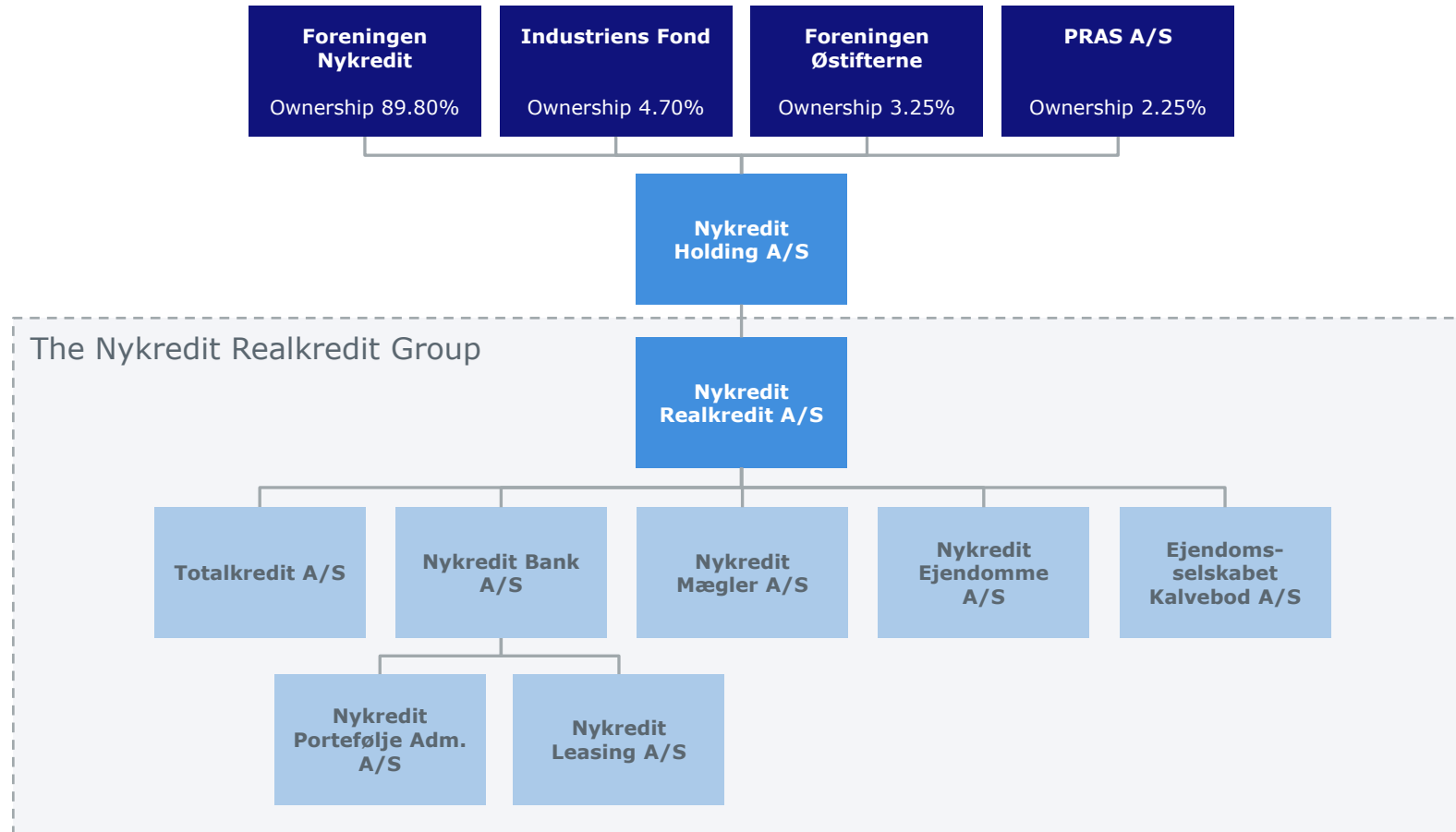
Fact Book Q2 2014

The Nykredit Realkredit Group

Unaudited

Nykredit

Group chart



The Nykredit Realkredit Group history

Foreningen Nykredit

Foreningen Nykredit (the Nykredit Association) owns just below 90% of Nykredit and is thus the largest shareholder.

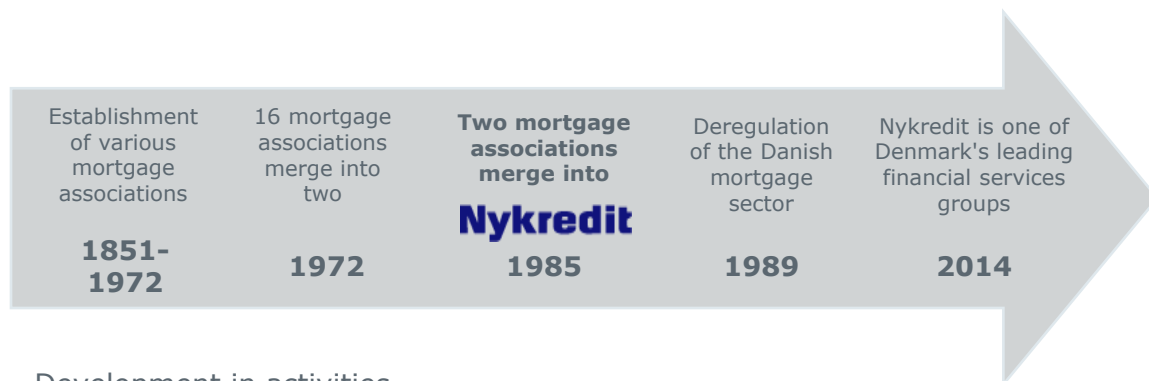
Members

1. Mortgage customers of Nykredit Realkredit
2. Customers with facilities with Nykredit Bank of at least DKK 50,000
3. Mortgage customers of Totalkredit (optional)

Committee of Representatives

The ultimate authority of Foreningen Nykredit is the Committee of Representatives, which has 100 representatives elected by and among the members (mortgage customers of Nykredit Realkredit) and bondholders.

The Committee of Representatives elects the Board of Directors of Foreningen Nykredit and approves annual reports and amendments to the Articles of Association.



Development in activities

1989 Set-up of estate agency business

1994 Set-up of Nykredit Bank

1998 Set-up of Markets and Asset Management

1998 Set-up of Nykredit Forsikring

2000 Merger with Østifterne Forsikring

2003 Acquisition of Totalkredit

2008 Acquisition of Forstædernes Bank

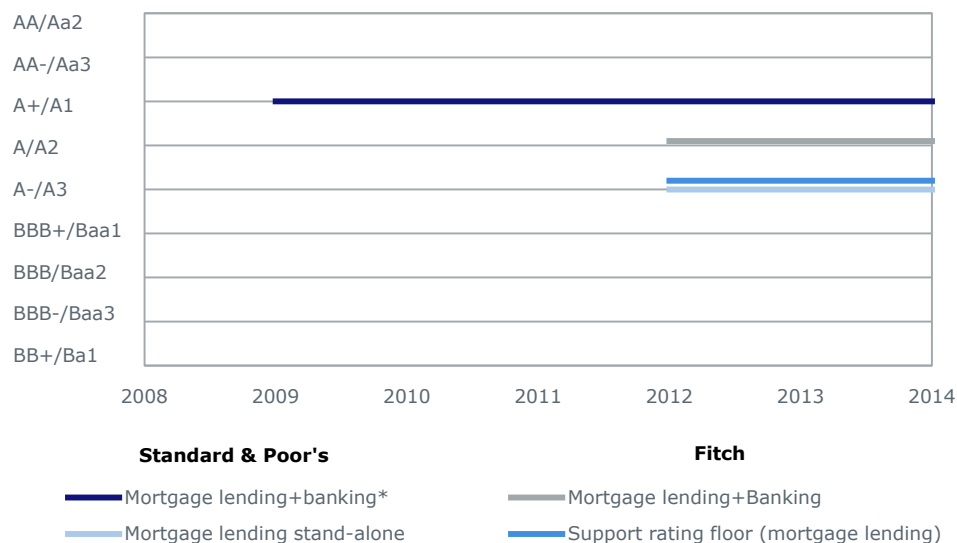
2010 Sale of Nykredit Forsikring

Rating

Nykredit ratings

Standard & Poor's		Fitch	
Short-term	Long-term	Short-term	Long-term
A-1	A+*	F1	A

* Negative outlook



Nykredit Realkredit

	S&P	Fitch
Covered bonds		
Capital Centre H (covered bonds, SDO)	AAA	
Capital Centre E (covered bonds, SDO)	AAA	
Capital Centre G (covered bonds, RO)	AAA	
Capital Centre I (covered bonds, RO)	AAA	
Capital Centre D (covered bonds, RO)	AAA	
Capital Centre C (covered bonds, RO)	AAA	
Senior secured bonds (junior covered bonds)		
Capital Centre D (senior secured bonds, JCB)	A+*	
Capital Centre E (senior secured bonds, JCB)	A+*	
Capital Centre H (senior secured bonds, JCB)	A+*	
Unsecured debt		
Short-unsecured rating	A-1	F1
Long-unsecured rating	A+*	A
Capital instruments		
Hybrid capital (Tier 1)	BBB	

*Negative outlook

Nykredit Bank A/S

	S&P	Fitch
Short-term deposit rating	A-1	F1
Long-term deposit rating	A+*	A
Euro MTN Programme		
- Short-term senior debt	A-1	F1
- Long-term senior debt	A+*	A
Euro Commercial Paper and Certificate of Deposit Programme		
- Short-term senior debt	A-1	F1

* Negative outlook

Market share - lending

Market share

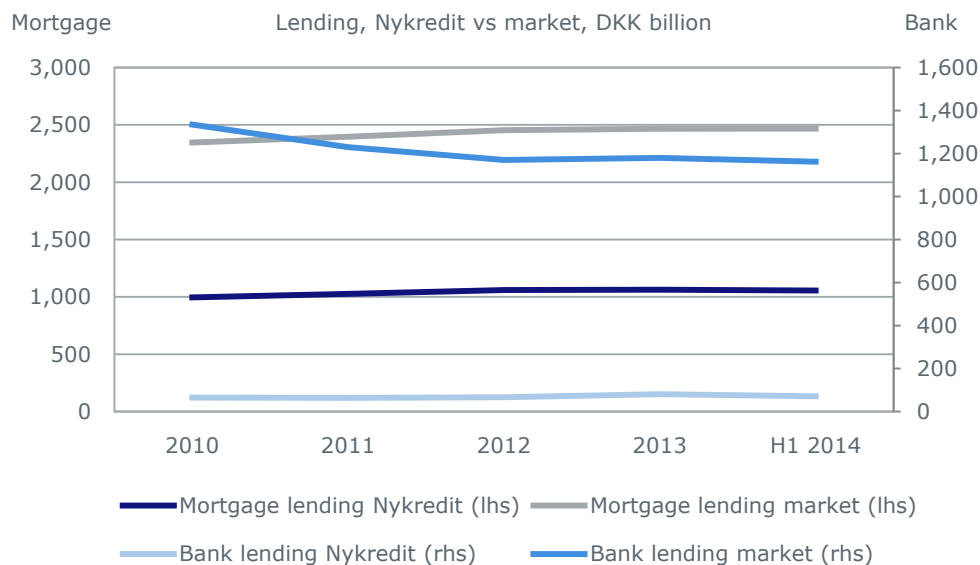
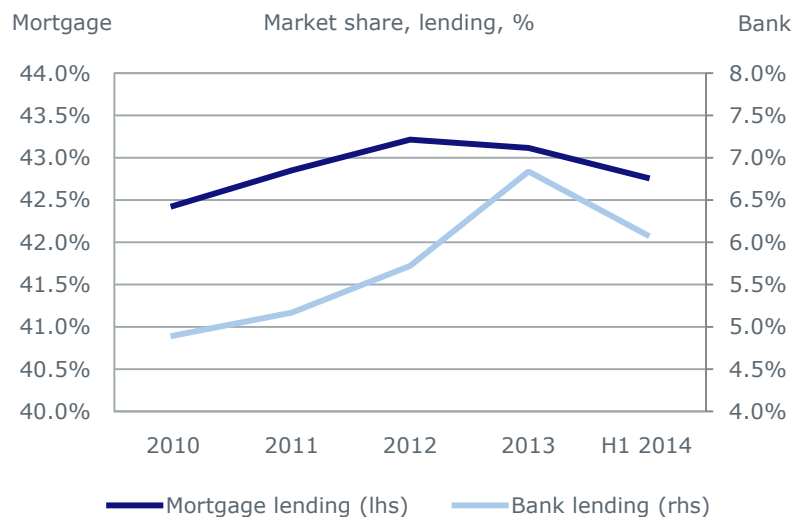
DKK billion	2010	2011	2012	2013	H1 2014
Bank lending*	65	64	67	81	71
Mortgage lending	996	1,027	1,060	1,063	1,056
Total	1,061	1,091	1,127	1,144	1,127

	2010	2011	2012	2013	H1 2014
Bank lending	4.9%	5.2%	5.7%	6.8%	6.1%
Mortgage lending	42.4%	42.9%	43.2%	43.1%	42.8%
Total	28.8%	30.1%	31.1%	31.4%	31.0%

Note: MFI statistics – lending and distribution of market share in Denmark

Bank lending includes reverse transactions

Mortgage lending at nominal value excluding monetary and financial institutions



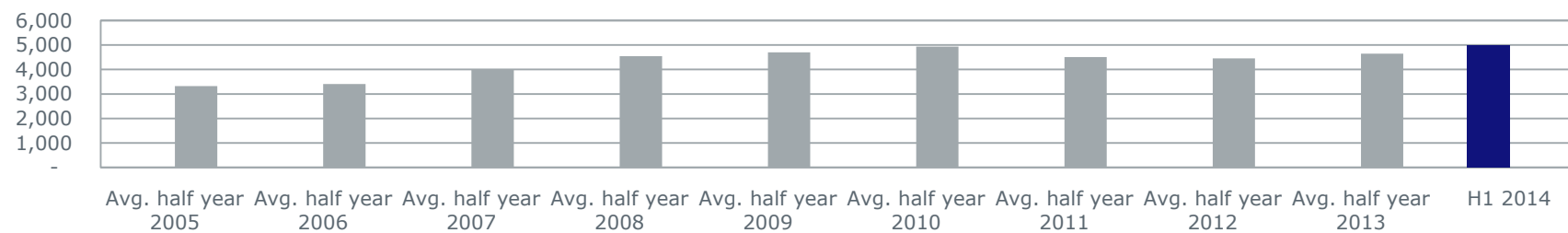
Core income – the Nykredit Realkredit Group

The Nykredit Realkredit Group

DKK million	Avg. half-year 2010	Avg. half-year 2011	Avg. half-year 2012	Avg. half-year 2013	H1 2014
Core earnings from					
Business operations	4,408	4,780	5,101	5,220	5,569
Value adjustment of devaluations and corporate bonds	(24)	(316)	(534)	(388)	(435)
Junior covered bonds	(60)	(95)	(218)	(242)	(212)
Securities	235	322	106	59	60
Total core income	4,937	4,505	4,455	4,649	4,981
Operating costs, depreciation and amortisation, excl special value adjustments	2,935	2,905	2,900	2,915	2,542
Operating costs, depreciation and amortisation – special value adjustments	44	79	(103)	109	36
Core earnings before impairment losses	1,957	1,521	1,657	1,625	2,403
Impairment losses on loans and advances – mortgage lending	444	513	796	1,207	1,010
Impairment losses on loans and advances – banking	607	194	279	175	39
Impairment losses on loans and advances – government guarantee scheme	140	-	-	-	-
Core earnings after impairment losses	766	814	583	243	1,354
Investment portfolio income	1,030	90	1,222	944	602
Profit before cost of capital	1,796	904	1,805	1,187	1,956
Net interest on additional Tier 1 capital	(231)	(231)	(233)	(230)	(237)
Profit before tax	1,566	673	1,572	957	1,719
Tax	393	112	288	120	381
Profit from discontinued insurance operations	756	-	-	-	-
Result for the period	1,929	562	1,285	837	1,337

Note: Forstædernes Bank was included in the Consolidated Financial Statements as from 17 October 2008. Value adjustment of the portfolio of subordinated debt instruments in Danish banks (Kalvebod issues) has been included from 1 January 2011. Comparative figures have been restated. Largely all the Group's investment activities are marked to market, for which reason group earnings exhibit a certain degree of volatility.

Actual core income H1 2014 and average core income for previous years, DKK million

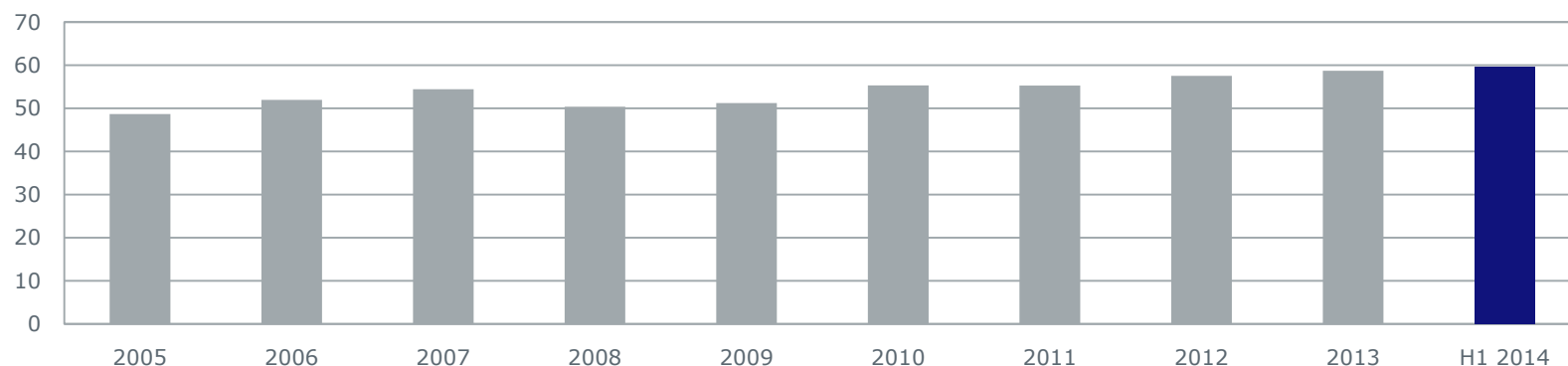


Balance sheet summary – the Nykredit Realkredit Group

The Nykredit Realkredit Group

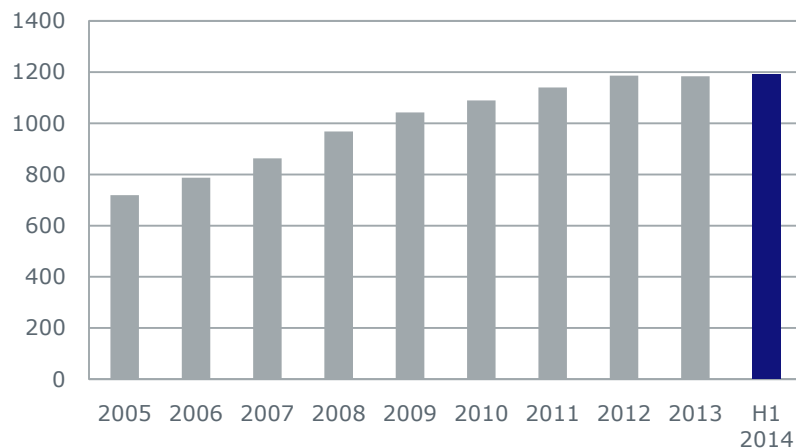
DKK million	2010	2011	2012	2013	H1 2014
Assets					
Receivables from credit institutions and central banks	58,657	66,258	60,174	35,758	36,133
Mortgage loans at fair value	1,030,478	1,084,317	1,136,445	1,136,644	1,143,883
Bank loans and advances - excl reverse transactions	58,833	55,776	49,727	46,963	46,908
Bonds and equities	99,144	100,794	82,413	92,961	118,624
Remaining assets	5,372	19,501	44,472	69,329	98,798
Total assets	1,311,140	1,392,905	1,433,405	1,417,414	1,444,348
Liabilities and equity					
Payables to credit institutions and central banks	95,879	117,626	67,539	44,393	49,656
Deposits	55,467	57,404	54,509	65,172	61,764
Issued bonds at fair value	974,319	1,021,942	1,103,818	1,130,020	1,138,266
Subordinated debt	11,618	11,204	11,281	10,964	15,243
Remaining liabilities	118,537	129,419	138,701	108,148	119,188
Equity	55,320	55,310	57,556	58,716	60,231
Total liabilities and equity	1,311,140	1,392,905	1,433,405	1,417,414	1,444,348

Equity, DKKbn

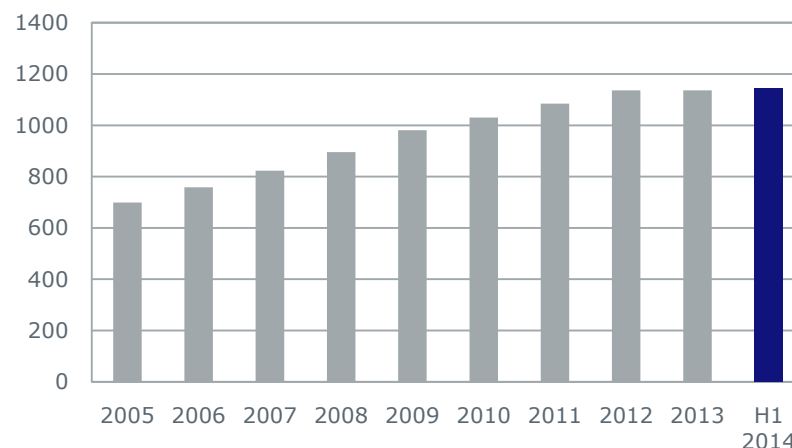


Balance sheet summary – the Nykredit Realkredit Group

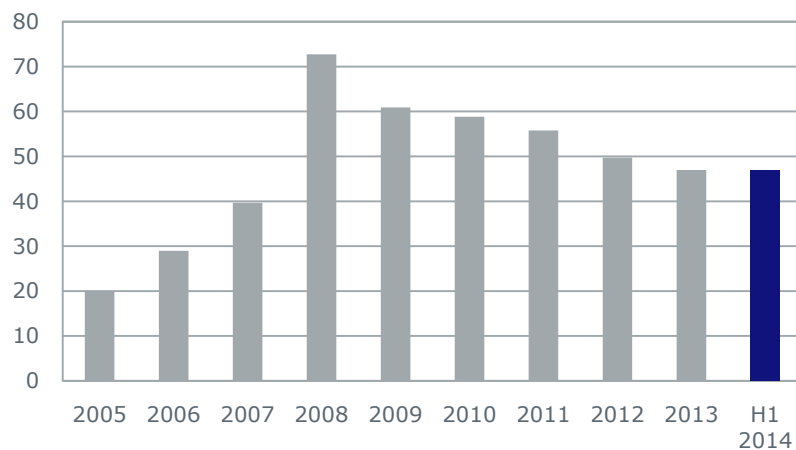
Total lending, DKKbn



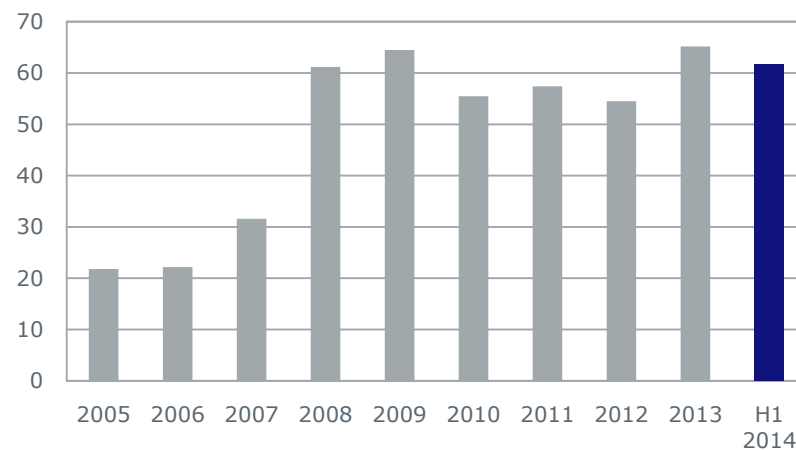
Total mortgage lending, DKKbn



Total bank lending, DKKbn



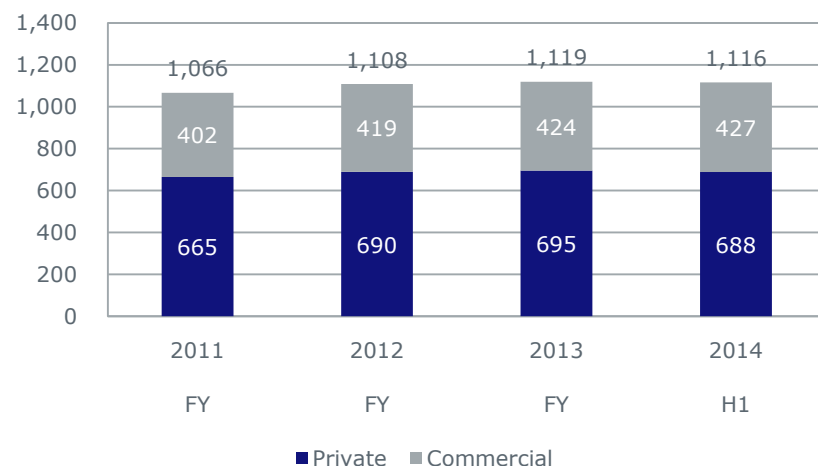
Total bank deposits, DKKbn



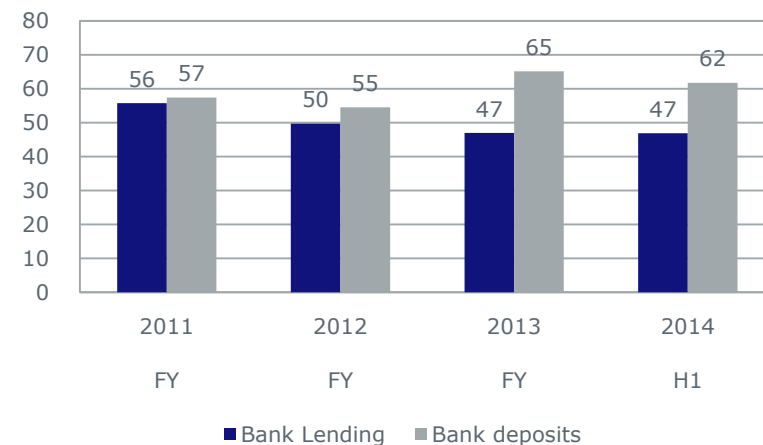
Note: Mortgage lending based on fair value. Bank lending excludes reverse transactions.

Lending and deposits

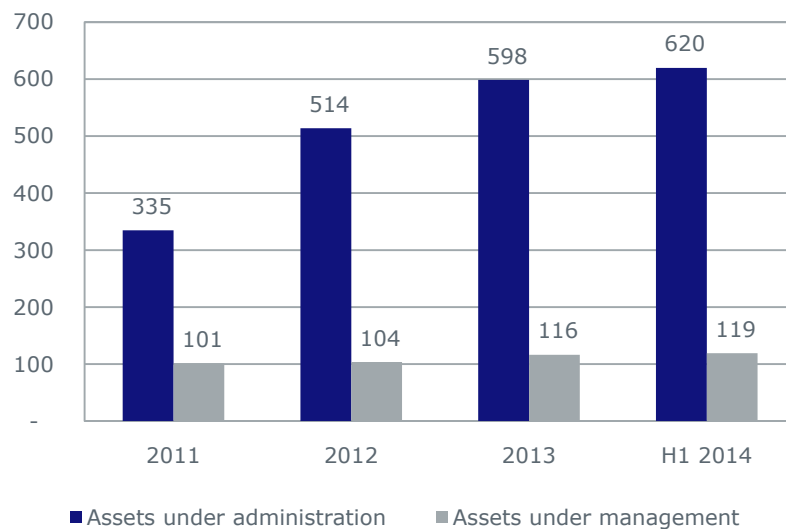
Nominal mortgage lending, DKKbn



Bank lending excl reverse transactions and bank deposits, DKKbn

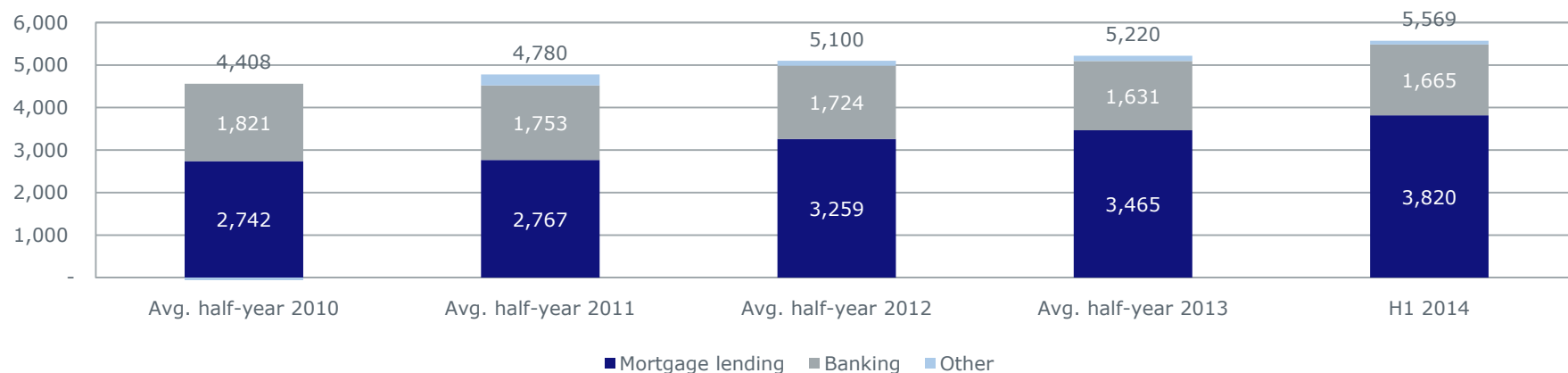


Assets under administration

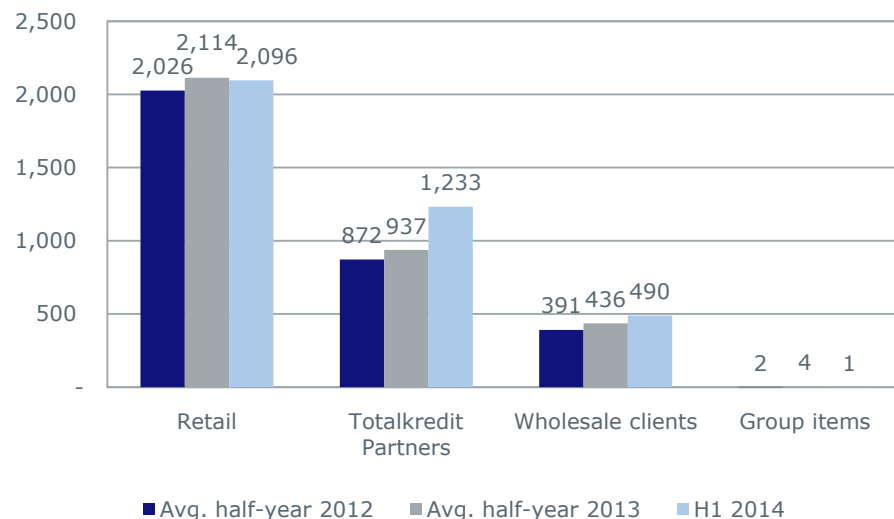


Core earnings – the Nykredit Realkredit Group

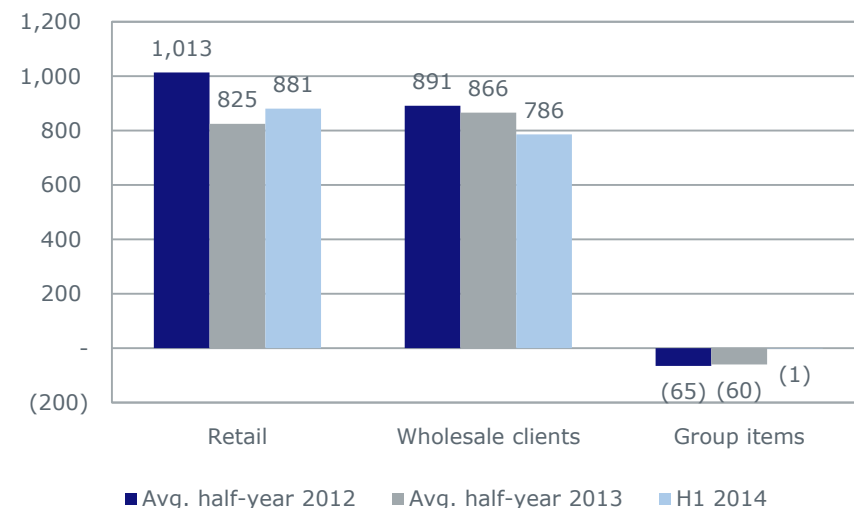
Core earnings from business operations, actual H1 2014 and average half -years previous years, DKKm



Core earnings from business operations by business area, actual H1 2014 and average half-years previous years - mortgage, DKKm

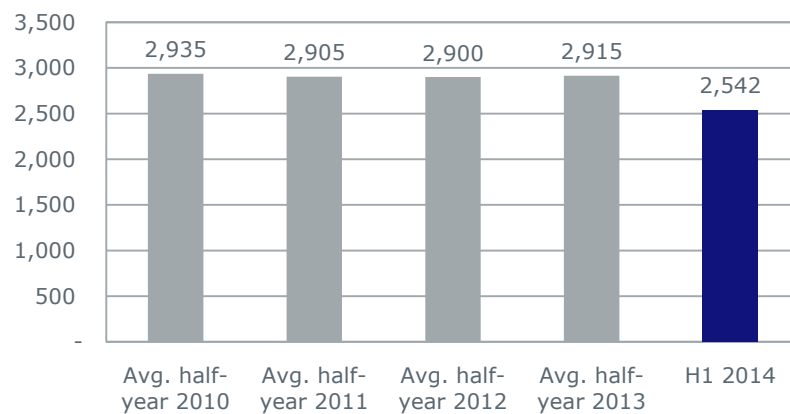


Core earnings from business operations by business area, actual H1 2014 and average half-years previous years - banking, DKKm



Breakdown of costs

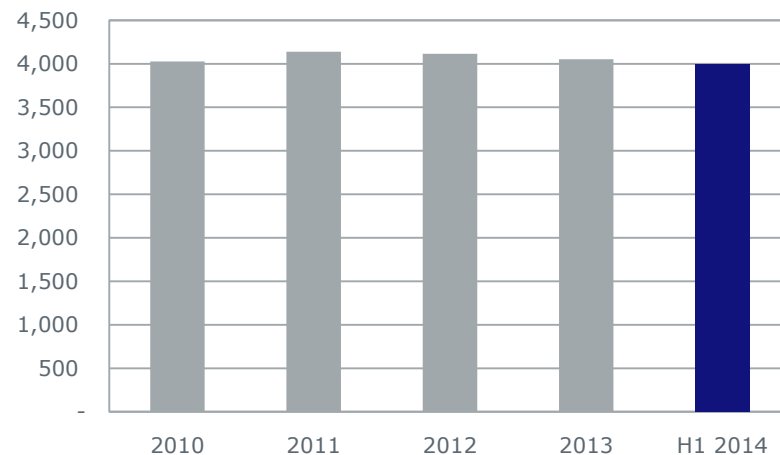
Operating costs, the Nykredit Realkredit Group, DKKm



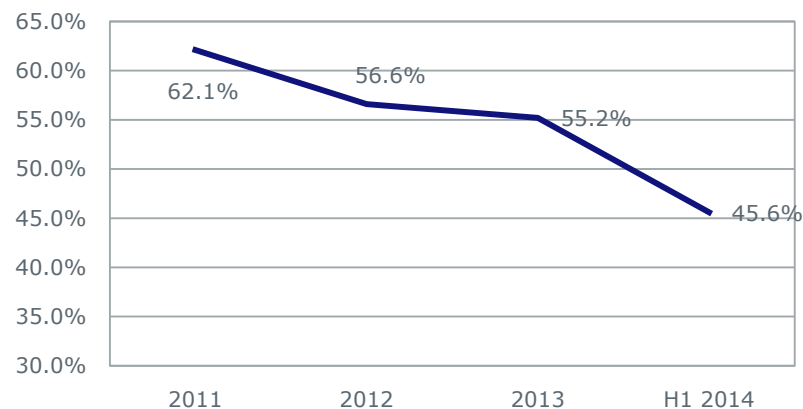
Note: Operating costs includes payment to Guarantee Fund for Depositors and Investors/ commission, government guarantee scheme



Average number of full-time employees



Cost:income ratio



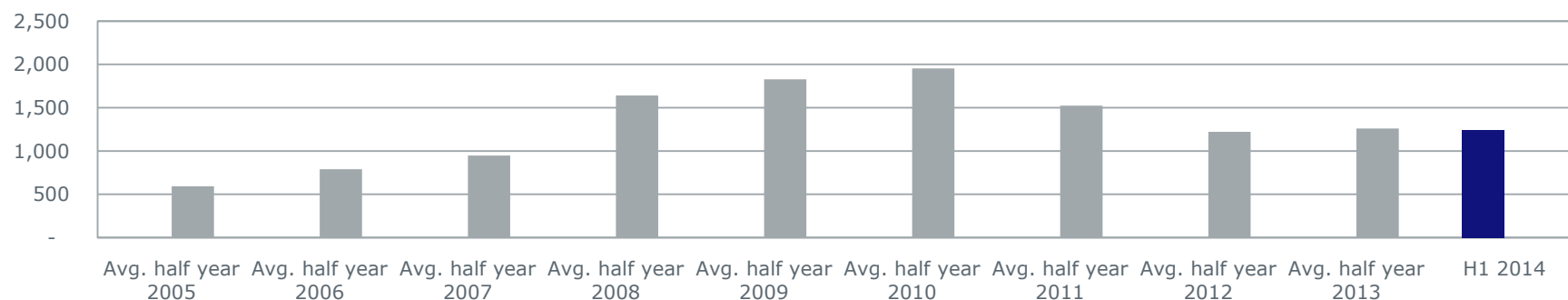
Note: Operating costs, depreciation and amortisation, excl special value adjustments as % of core earnings from business operations

Core income – the Nykredit Bank Group

The Nykredit Bank Group

	Avg. half-year 2010	Avg. half-year 2011	Avg. half-year 2012	Avg. half-year 2013	H1 2014
DKK million					
Core earnings from					
Business operations	1,821	1,753	1,724	1,631	1,665
Value adjustment of devaluations	-	(316)	(534)	(388)	(435)
Proprietary Trading (activity transferred to Nykredit Realkredit in 2009)	47	-	-	-	-
Securities	63	88	31	17	14
Total core income	1,955	1,525	1,221	1,260	1,244
Operating costs, depreciation and amortisation	1,076	957	924	1,023	1,057
Provisions for costs relating to reorganisation	-	-	-	25	-
Payment to the Danish Guarantee Fund for Depositors and Investors	-	-	100	23	-
Commission payable under the government guarantee scheme (Bank Rescue Package I)	500	370	-	-	-
Value adjustment of associate	(183)	30	-	39	-
Core earnings before impairment losses	923	567	297	237	187
Impairment losses on loans and advances and provisions for guarantees	747	194	279	175	39
Provisions for guarantees relating to the government guarantee scheme (Bank Rescue Package I)	318	279	-	-	-
Core earnings after impairment losses	176	373	19	63	148
Investment portfolio income	83	(77)	15	(20)	46
Profit before tax	259	297	34	43	194
Tax	61	80	(1)	4	42
Result for the period	198	217	35	39	152

Actual core income H1 2014 and average core income for previous years, DKK million



Balance sheet summary – the Nykredit Bank Group

The Nykredit Bank Group

DKK million	2010	2011	2012	2013	H1 2014
Assets					
Cash balance and receivables from credit institutions and central banks	29,480	50,244	44,812	23,173	27,790
Loans, advances and other receivables at fair value	12,920	22,007	35,401	56,814	45,328
Loans, advances and other receivables at amortised cost	59,072	55,901	49,807	47,024	46,908
Bonds at fair value and equities	75,266	61,063	58,399	64,219	79,968
Remaining assets	33,684	43,153	52,099	32,904	36,906
Total assets	210,422	232,368	240,518	224,134	236,900
Liabilities and equity					
Payables to credit institutions and central banks	48,351	63,093	55,355	57,732	63,306
Deposits and other payables	55,699	57,551	54,701	65,405	61,918
Issued bonds at amortised cost	32,848	26,137	28,498	26,689	22,565
Other non-derivative financial liabilities at fair value	25,679	27,308	33,741	29,248	40,857
Remaining payables	32,416	43,594	53,468	30,216	33,268
Provisions	847	233	235	247	236
Subordinated debt	813	250	250	250	250
Equity	13,769	14,202	14,270	14,347	14,500
Total liabilities and equity	210,422	232,368	240,518	224,134	236,900

Nykredit Bank A/S

Supervisory diamond (calculated at parent level)

	2011	2012	2013	H1 2014
Lending growth (limit value <20%)	-5.4	-10.7	-7.6	-0.5
Large exposures (limit value <125%)	0.0	0.0	0.0	14.0
Property exposure (limit value <25%)	16.8	14.6	10.4	11.7
Funding ratio (limit value < 1,0)	0.7	0.6	0.5	0.5
Excess liquidity coverage (limit value >50%)	176.0	183.1	276.0	220.4

Income from securities

Income from securities

DKK million	Avg. half-year 2011	Avg. half-year 2012	Avg. half-year 2013	H1 2014
Investment portfolio income through profit or loss	90	1,222	943	602
Investment portfolio income through equity	(544)	(88)	(151)	173
Total investment portfolio income	(454)	1,134	793	776
- of which bonds	(123)	919	429	220
- of which equity	115	76	167	129
- of which strategic equities	(446)	140	198	155

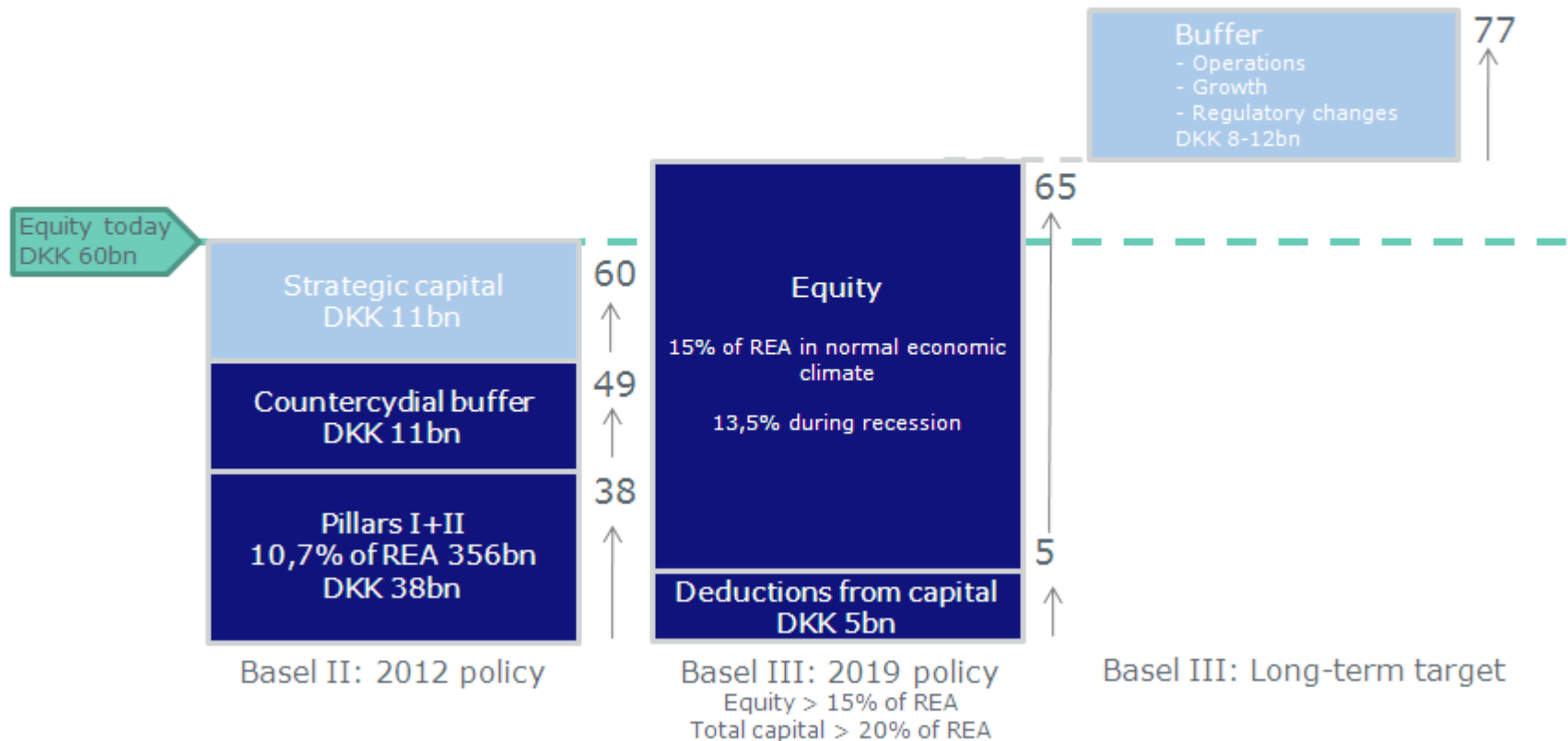
Note: Largely all of the Group's investment activities is marked to market, for which reason group earnings exhibit a certain degree of volatility

Ten year Danish government bond yield, %



Future equity requirement

Equity requirements excl buffers is DKK 65bn during normal economic climate



Note: Incl future regulatory changes

Ratios and key figures – the Nykredit Realkredit Group

Keyfigures

	2010	2011	2012	2013	H1 2014
Net interest margin pa., %					
The Nykredit Realkredit Group	0.9%	0.8%	0.8%	0.8%	0.8%
Impairment losses for the period as % of loans and advances					
Mortgage lending	0.09%	0.10%	0.14%	0.22%	0.09%
Banking	1.3%	0.4%	0.6%	0.3%	0%
Write-offs					
Mortgage lending	463	634	1,029	957	476
Banking	3,035	2,217	848	613	276
Swaps	-	-	63	148	51
Total provisions for loan impairment					
Mortgage lending	2,226	2,485	2,954	4,378	4,918
Banking (including guarantees)	6,888	4,407	4,139	4,097	3,853
Swaps	107	755	1,496	2,229	2,614
Total provisions for loan impairment/write-offs					
Mortgage lending	4.8	3.9	2.9	4.6	10.3
Banking	2.3	2.0	4.9	6.7	14.0
Swaps	-	-	24	15	51

Capital ratios

	2010	2011	2012	2013	H1 2014
Core Tier 1 capital ratio, %	18.50%	17.09%	19.10%	18.89%	19.30%
Capital ratio (excl. core tier 1), %	15.10%	13.87%	15.83%	15.80%	15.70%

Ratios

	2010	2011	2012	2013	H1 2014
Return on average equity, pa., %	0.30%	2.03%	4.55%	2.88%	4.52%
Return on assets pa., %	0.30%	0.08%	0.18%	0.12%	0.19%
Return on REA pa., %*	1.18%	0.32%	0.79%	0.48%	0.75%

*Risk exposure amount – REA, formerly risk weighted assets – RWA

Nykredit's earnings should be seen relative to the balance sheet structure and capital level. A prevailing part of the assets consists of mortgage loans with low risk and low margins. Price adjustments on mortgage products may be implemented at four months' notice and at a shorter notice for banking products.

Mortgage lending

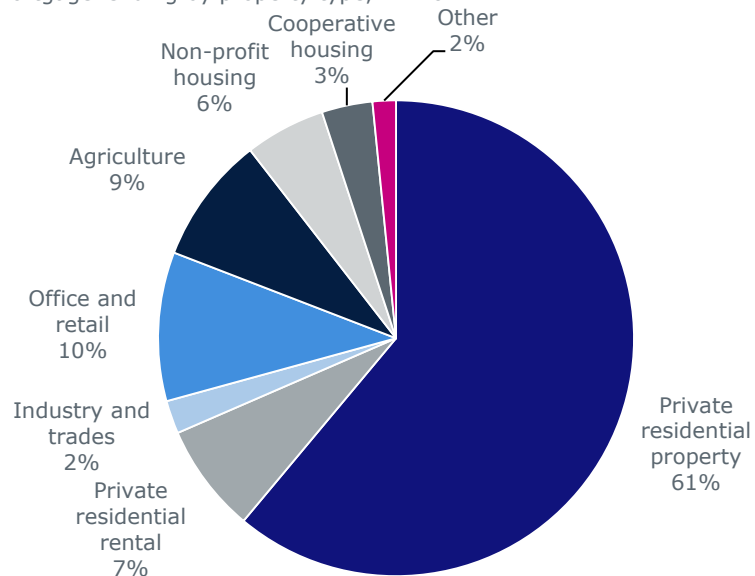
Mortgage lending - by property type

DKK million	2011	2012	2013	H1 2014	Average impairment losses 2011 - H1 2014*	Average write-offs 2011-H1 2014*
Private residential property	660,891	682,969	689,057	682,019	0.15%	0.08%
Private residential rental	68,082	75,489	79,692	82,828	0.10%	0.13%
Industry and trades	24,544	23,635	25,119	25,114	0.27%	0.23%
Office and retail	103,081	112,444	111,215	113,008	0.17%	0.10%
Agriculture	97,251	97,688	97,217	96,520	0.19%	0.08%
Non-profit housing	58,382	60,060	61,385	60,986	0.01%	0.00%
Cooperative housing	39,001	39,066	38,649	38,560	0.63%	0.01%
Other	16,373	17,444	17,636	17,701	0.17%	0.11%
Total	1,067,606	1,108,797	1,119,970	1,116,736	0.12%	0.05%

The breakdown by property type is not directly comparable with the Group's business areas.

*H1 2014 write-offs and impairment losses has been annualized for the average calculation

Mortgage lending by property type, H1 2014

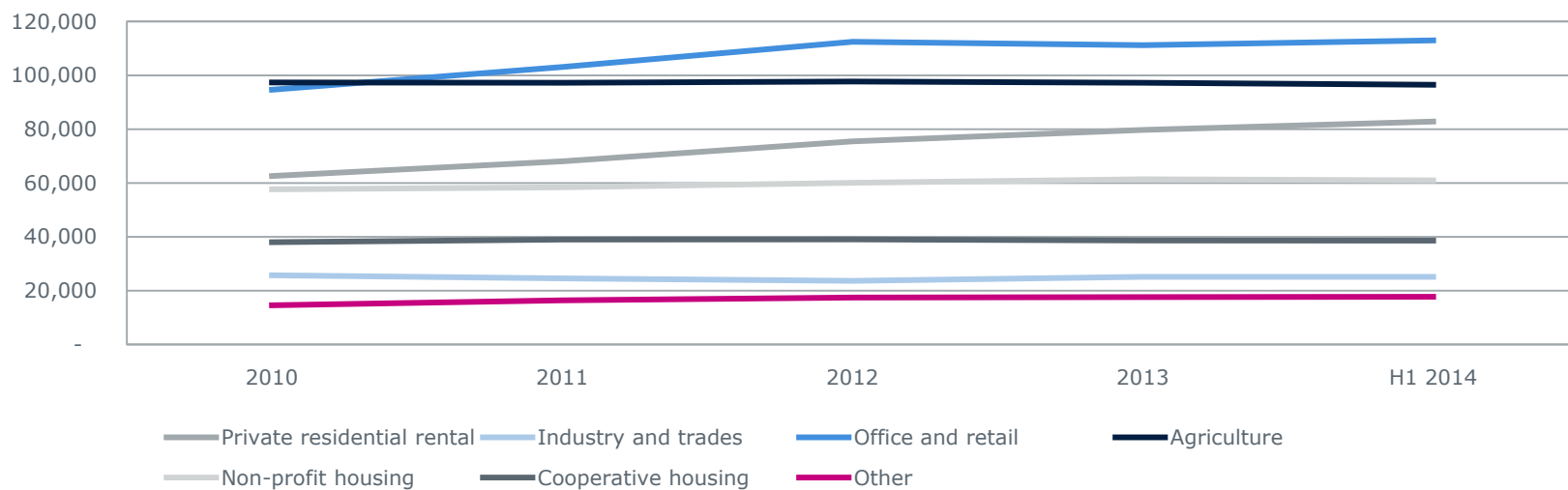


Mortgage lending

Mortgage lending at nominal value, DKKm



Mortgage lending at nominal value by property type (excl private residential property), DKKm

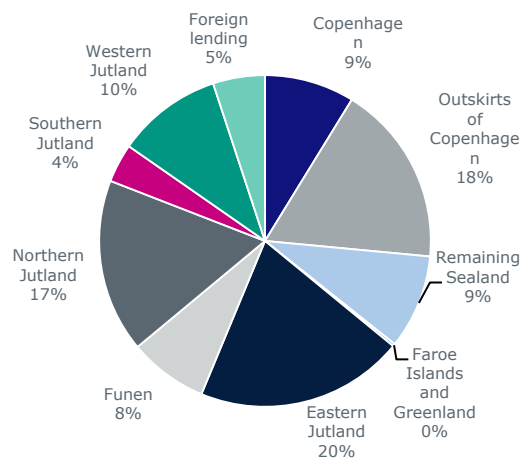


Mortgage lending

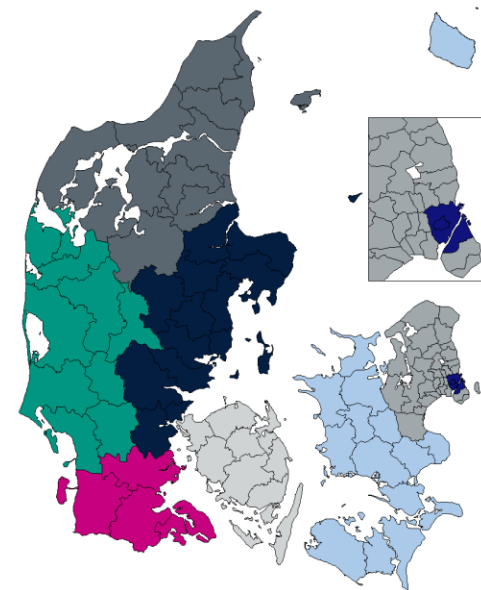
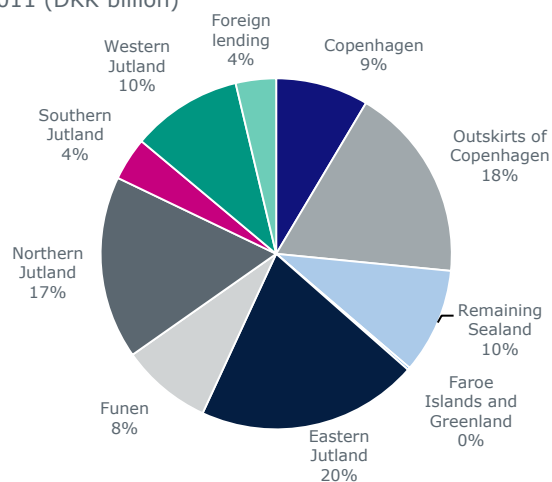
Mortgage lending at nominal value by geography

DKK billion	2011	2012	2013	2014	H1 2014
Copenhagen	88	91	96	98	98
Outskirts of Copenhagen	185	192	198	199	198
Remaining Sealand	100	101	102	102	103
Faroe Islands and Greenland	2	2	3	3	3
Eastern Jutland	210	218	226	229	227
Funen	86	88	88	87	86
Northern Jutland	174	179	186	189	189
Southern Jutland	41	42	43	42	42
Western Jutland	105	110	115	116	115
Foreign lending	38	45	55	56	57

H1 2014 (DKK billion)

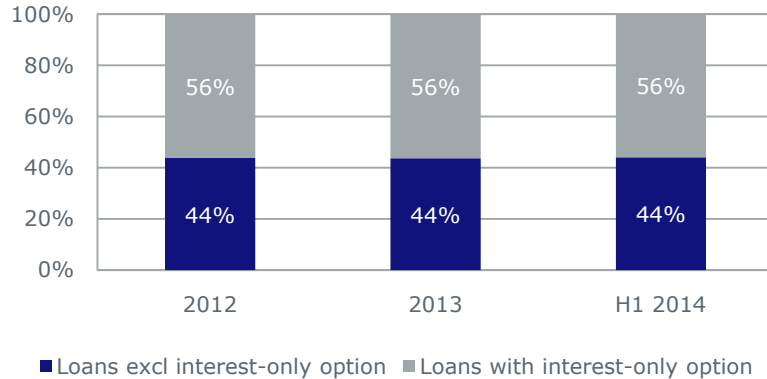


2011 (DKK billion)

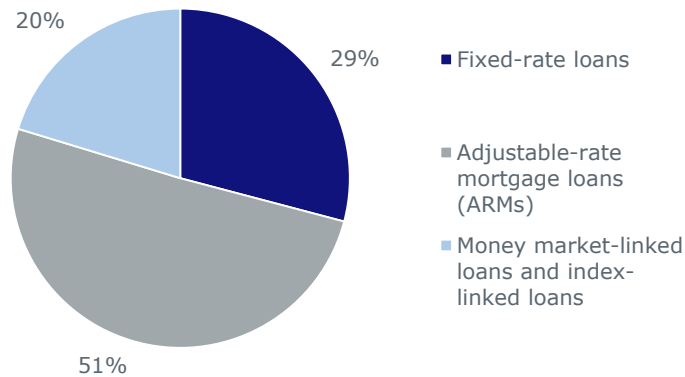


Mortgage lending

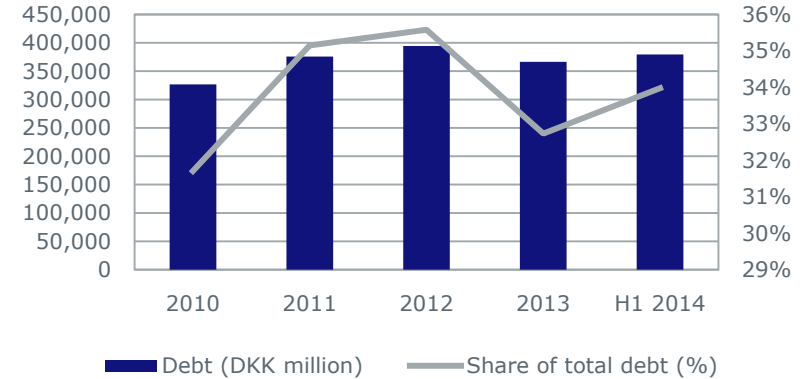
Bond dept outstanding by loan and interest type, all segments



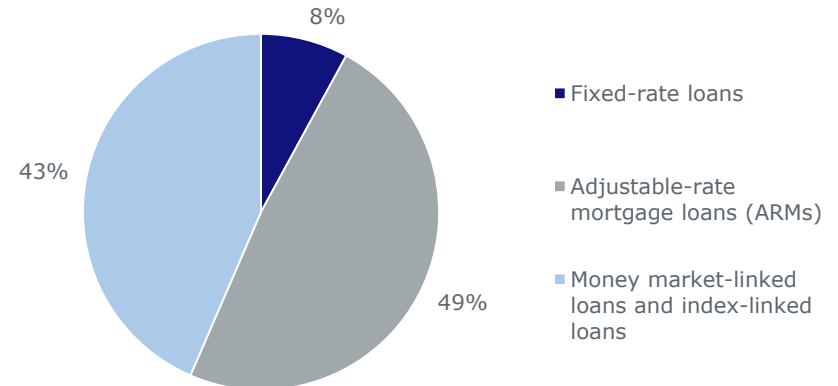
Mortgage lending by loan type, private residential properties, H1 2014



Variable-rate loans with refinancing within one year (ARMs, money market-linked, and index-linked), debt outstanding with maturity less than 1 year, all segments, variable-rate loans

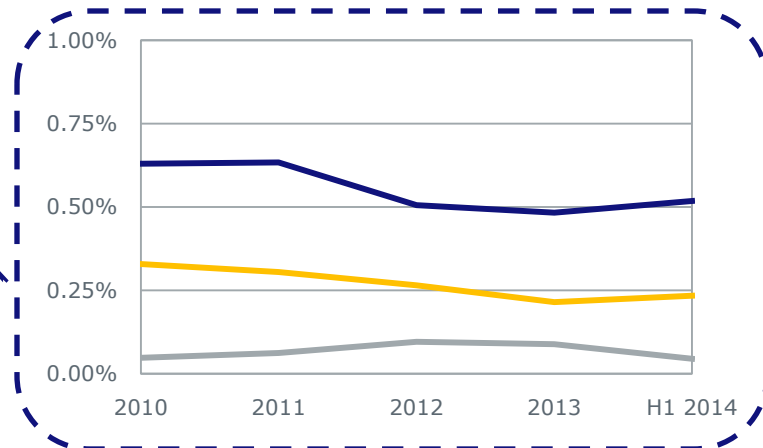
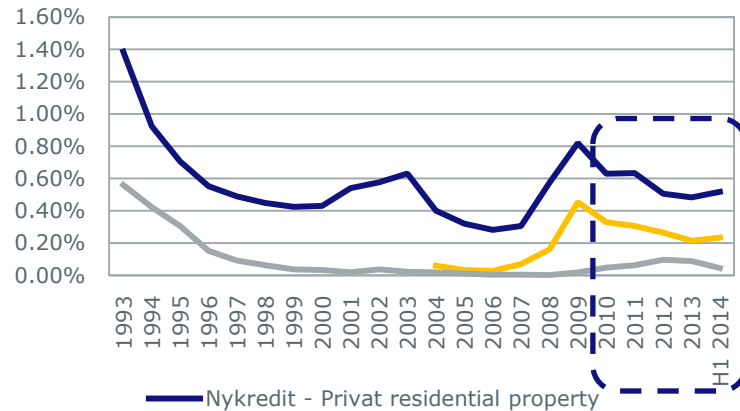


Mortgage lending by loan type, commercial, H1 2014



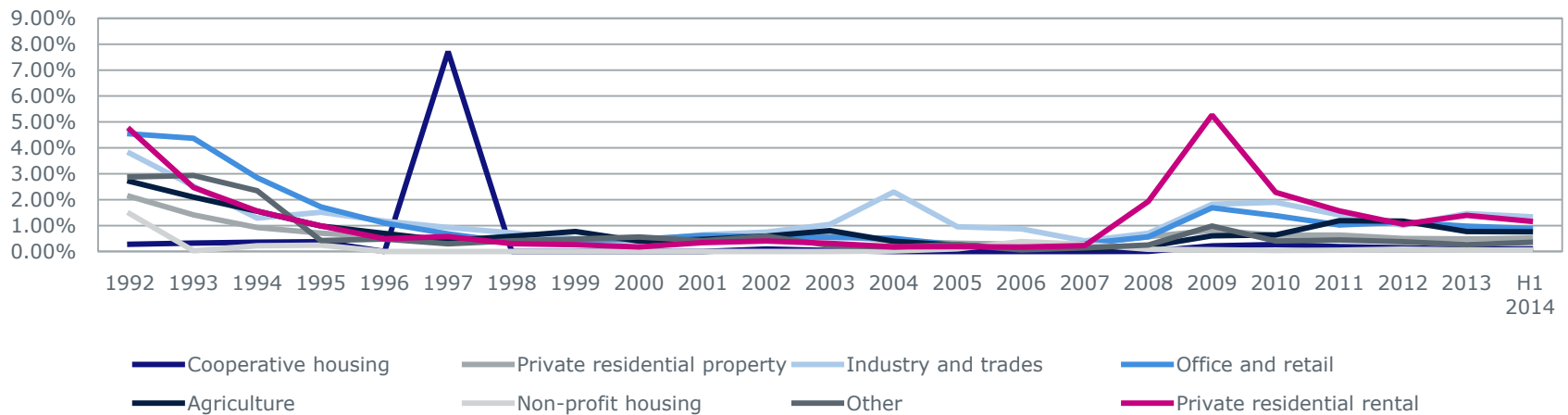
Arrears – mortgage lending

Arrears - 75 days past due, %



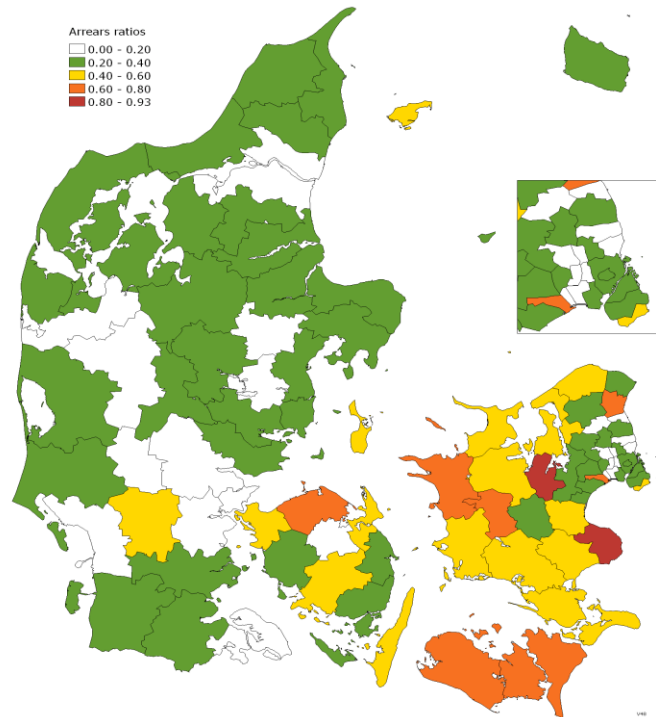
Note: Totalkredit has been consolidated with Nykredit Realkredit from 10 November 2003
H1 2014 write-offs has not been annualized

Arrears, 75 days past due, %

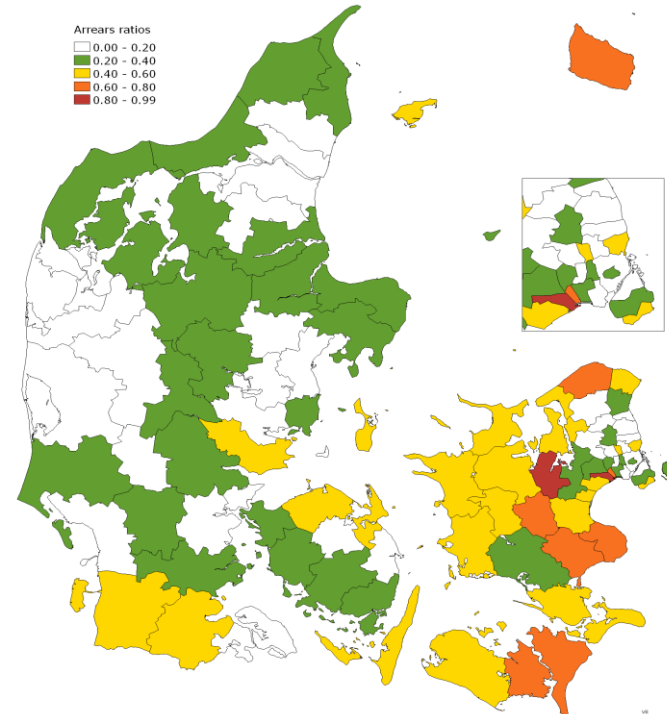


Geographical distribution of arrears/total mortgage lending – private residential property, mortgage lending

75 days arrears, H1 2013

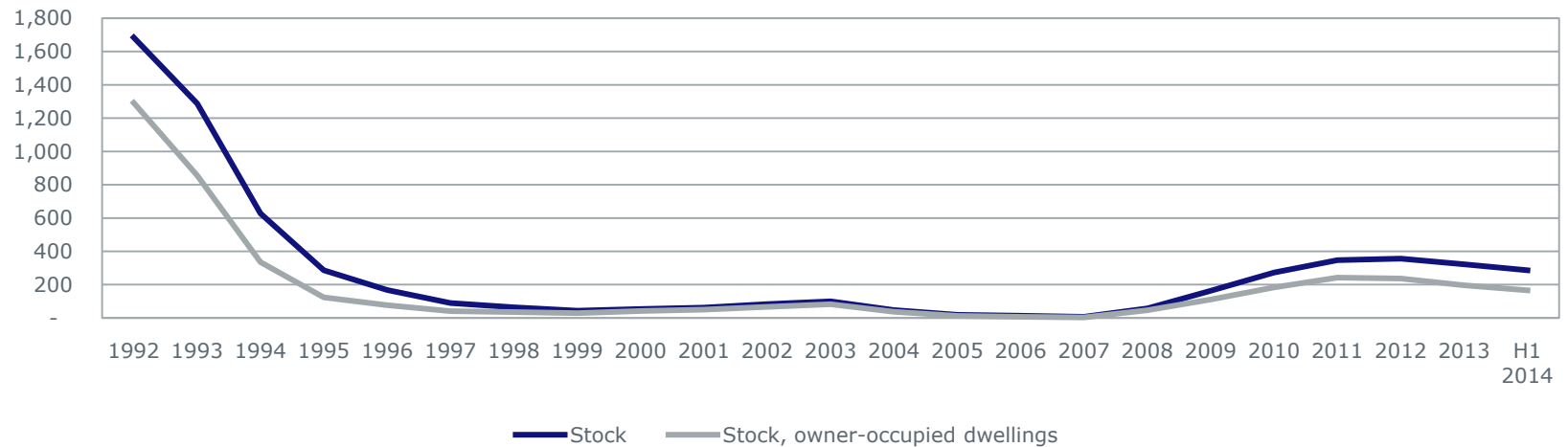


75 days arrears, H1 2014

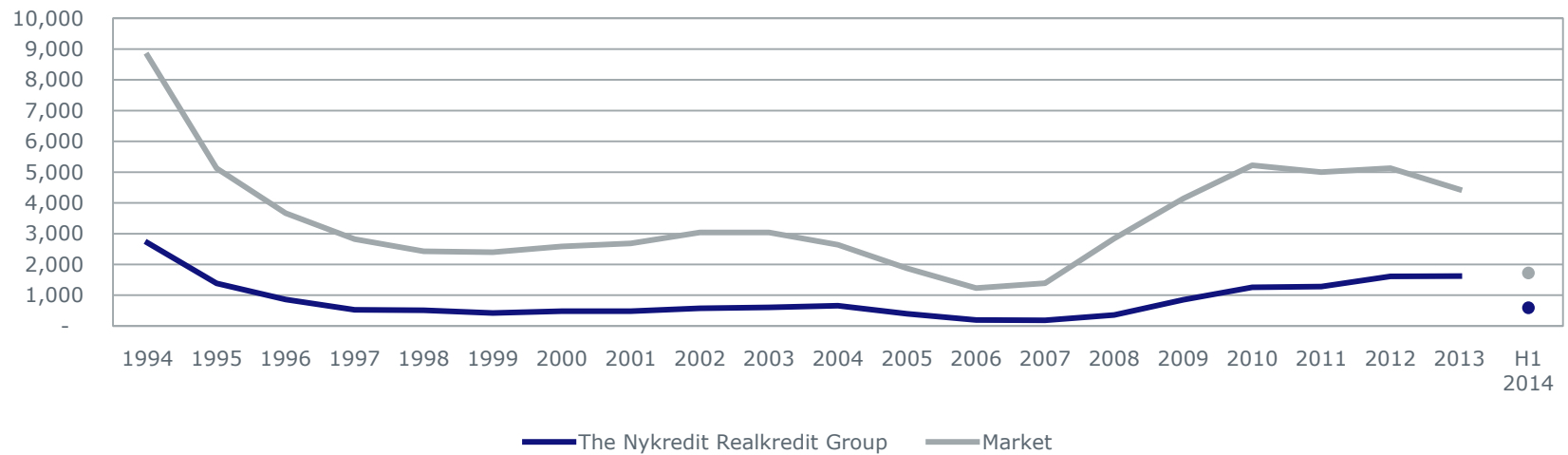


Reposessed properties and forced sales

Reposessions, The Nykredit Realkredit Group



Forced sales in Denmark



Risk relating to mortgage lending

Debt outstanding relative to estimated property values, H1 2014 Fair value 2014 LTV (loan-to-value), The Nykredit Realkredit Group

DKKm	0-40	40-60	60-80	80-100	Over 100	Non-profit housing	Total	LTV-median	Average LTV
								%	%
Private residential property	392,907	157,477	106,044	31,625	9,167	-	697,220	35	76
Private residential rental	72,387	26,796	16,294	3,914	1,000	-	120,391	32	70
Industry and trades	18,854	4,676	1,316	357	81	-	25,284	24	55
Office and retail	84,139	25,044	4,477	1,062	355	-	115,077	26	56
Agriculture	72,284	19,124	7,126	1,689	473	-	100,696	26	58
Other	13,350	3,118	1,317	127	68	-	17,979	24	55
Total Q2 2014	653,921	236,235	136,574	38,773	11,144	68,276	1,144,923	31	69
Total Q2 2013	649,436	235,512	134,996	38,108	8,796	68,111	1,134,958	31	69

Note: The average LTV is determined as the top part of the debt outstanding relative to estimated property values. The figures are actual LTV ratios including any financed costs. Public authority guarantees reduce the credit risk relating to subsidised housing that forms part of lending to the non-profit housing segment. For this reason, LTVs of non-profit housing offer no relevant risk data. In the table, debt outstanding is distributed continuously by LTV category. Loans with security covering for example between 0% and 60% of the mortgageable value are distributed with two thirds of the debt outstanding in the LTV range 0-40% and one third in the LTV range 40-60%.

Statutory LTV limits by property category

Private residential property for all-year habitation	80%*
Private cooperative housing	
Private residential rental properties	
Non-profit housing	
Youth housing	
Senior housing	
Properties used for social, cultural or educational purposes	60%
Holiday homes	
Agricultural and forestry properties, market gardens etc**	
Office and retail properties**	
Industry and trades properties**	
Utilities	
Other properties - including undeveloped land	40%

(*) some loan types offered for residential properties are subject to a lower LTV limit than 80%, but no supplementary collateral is required unless the LTV ratio subsequently exceeds 80%

(**) The LTV limit may be extended up to 70% against supplementary collateral for the part in excess in 60%

5.6% of total lending is outside statutory LTV limits

The Nykredit Realkredit Group Debt outstanding relative to estimated property values continous distribution, H1 2014

%	0-40	40-60	60-80	80-100	Over 100
Private residential property	56	23	15	5	1
Private residential rental	60	22	14	3	1
Industry and trades	75	18	5	1	0
Office and retail	73	22	4	1	0
Agriculture	72	19	7	2	0
Other	74	17	7	1	0
Total Q2 2014	61	22	13	4	1

Risk relating to mortgage lending

Debt outstanding distributed by the top part relative to estimated property values, H1 2014

Fair value 2014 LTV (loan-to-value), The Nykredit Realkredit Group

DKKm	0-40	40-60	60-80	80-100	Over 100	Non-profit housing	Total	LTV-median	Average LTV
							%	%	
Private residential property	61,557	138,641	243,308	186,043	67,670	-	697,220	35	76
Private residential rental	25,450	31,091	39,798	17,625	6,427	-	120,391	32	70
Industry and trades	9,966	9,177	4,258	1,413	471	-	25,284	24	55
Office and retail	37,599	53,915	17,484	4,075	2,004	-	115,077	26	56
Agriculture	46,381	30,623	16,516	5,135	2,039	-	100,696	26	58
Other	8,506	5,493	3,348	347	286	-	17,979	24	55
Total Q2 2014	189,460	268,939	324,712	214,639	78,897	68,276	1,144,923	31	69
Total Q2 2013	186,729	272,295	307,277	231,245	69,302	68,111	1,134,958	31	69

Note: The average LTV is determined as the top part of the debt outstanding relative to estimated property values. The figures are actual LTV ratios including any financed costs. Public authority guarantees reduce the credit risk relating to subsidised housing that forms part of lending to the non-profit housing segment. For this reason, LTVs of non-profit housing offer no relevant risk data. In the table, debt outstanding is distributed as the top part of the debt outstanding relative to estimated property values. Loans with security covering for example between 0% and 60% of the mortgageable value are distributed with 100% of the debt outstanding in the LTV range 40-60%.

Statutory LTV limits by property category

Private residential property for all-year habitation	80%*
Private cooperative housing	
Private residential rental properties	
Non-profit housing	
Youth housing	
Senior housing	
Properties used for social, cultural or educational purposes	60%
Holiday homes	
Agricultural and forestry properties, market gardens etc**	
Office and retail properties**	
Industry and trades properties**	
Utilities	
Other properties - including undeveloped land	40%

(*) some loan types offered for residential properties are subject to a lower LTV limit than 80%, but no supplementary collateral is required unless the LTV ratio subsequently exceeds 80%

(**) The LTV limit may be extended up to 70% against supplementary collateral for the part in excess in 60%

29.27% of total lending is outside statutory LTV limits

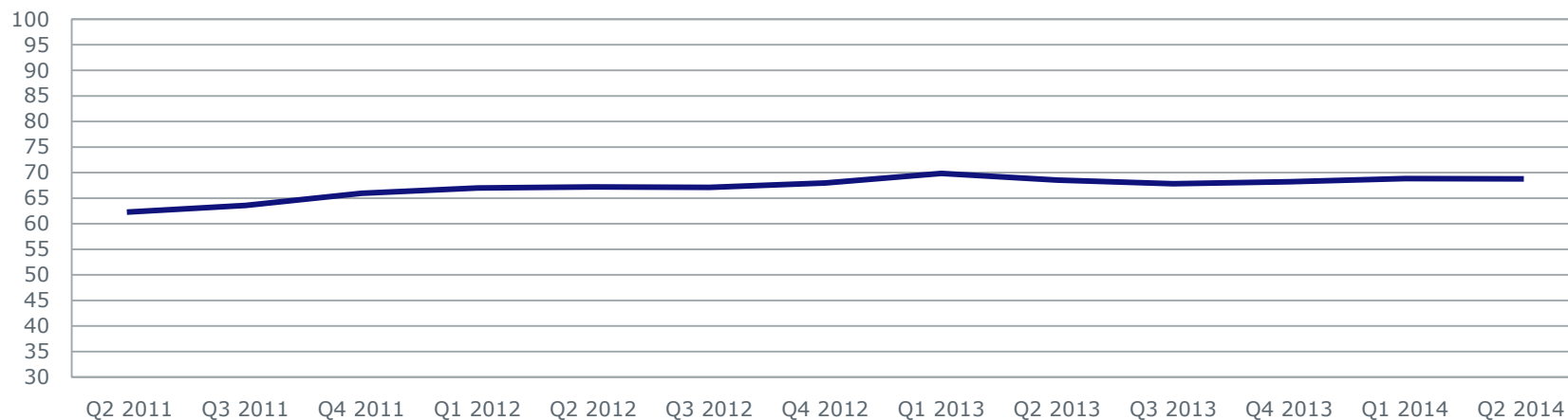
The Nykredit Realkredit Group

Debt outstanding distributed by the top part relative to estimated property values, H1 2014

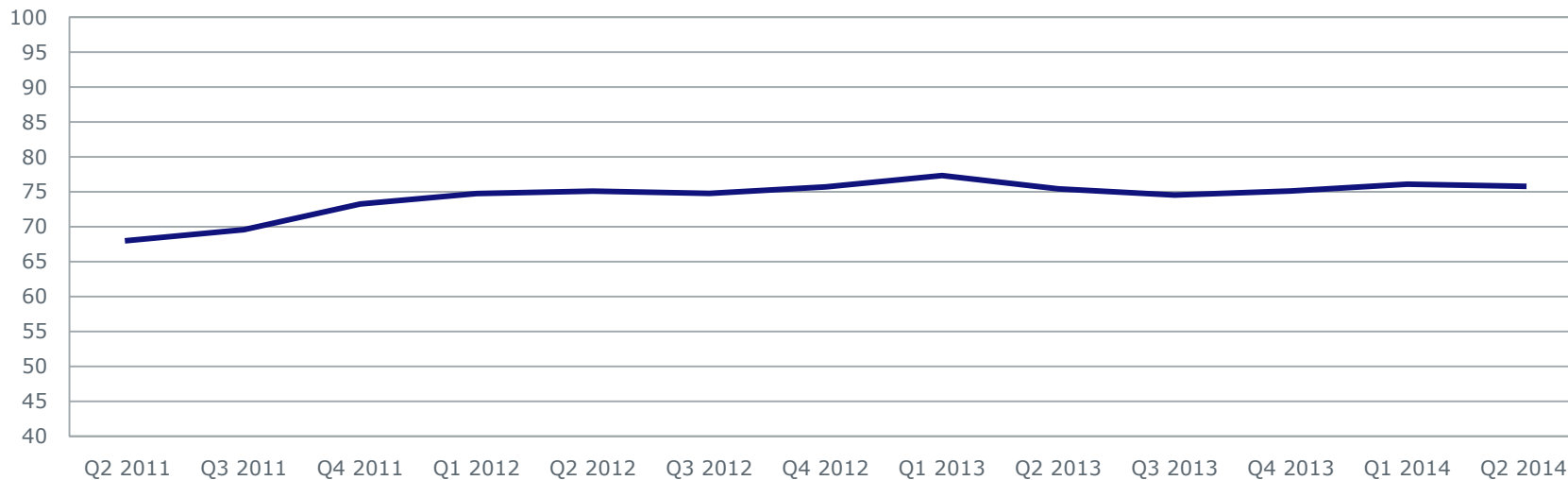
%	0-40	40-60	60-80	80-100	Over 100
Private residential property	9	20	35	27	10
Private residential rental	21	26	33	15	5
Industry and trades	39	36	17	6	2
Office and retail	33	47	15	4	2
Agriculture	46	30	16	5	2
Other	47	31	19	2	2
Total Q2 2014	18	25	30	20	7

LTV

% - Average LTV - all segments

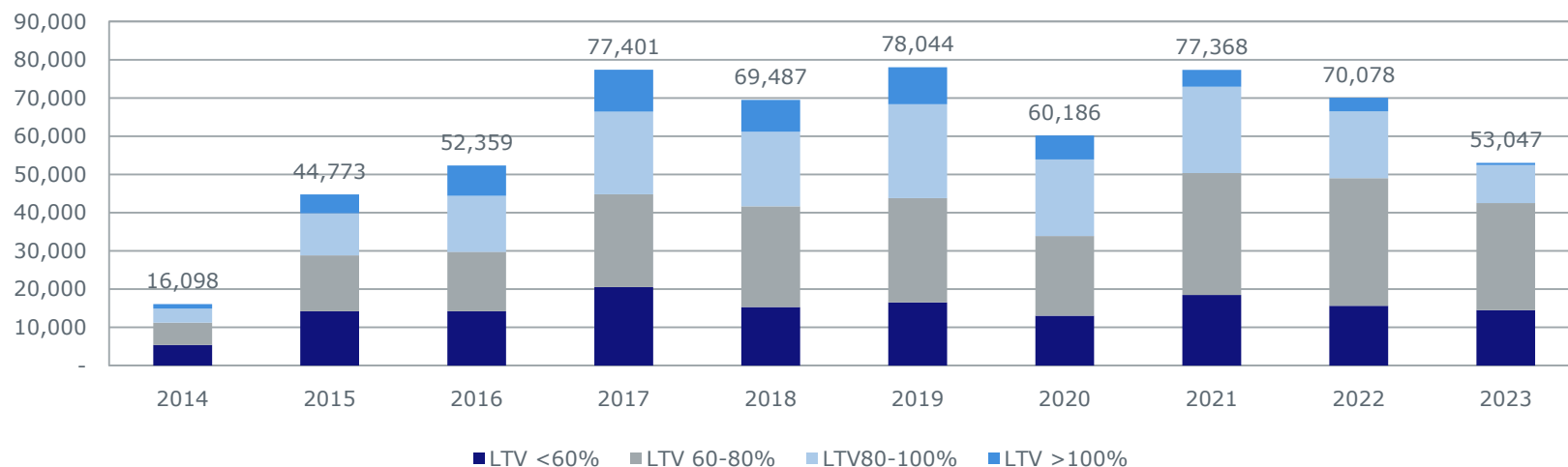


% - Average LTV - private residential properties

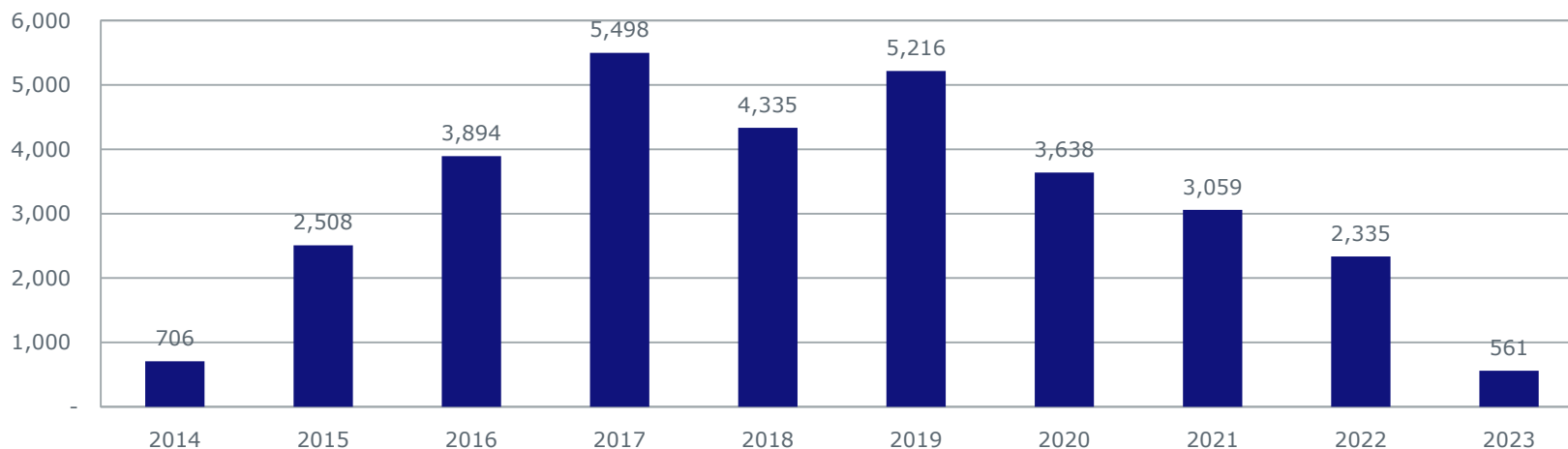


Mortgage lending – expiry of interest-only period

LTV distribution - size of loans by interest-only expiry, DKKm

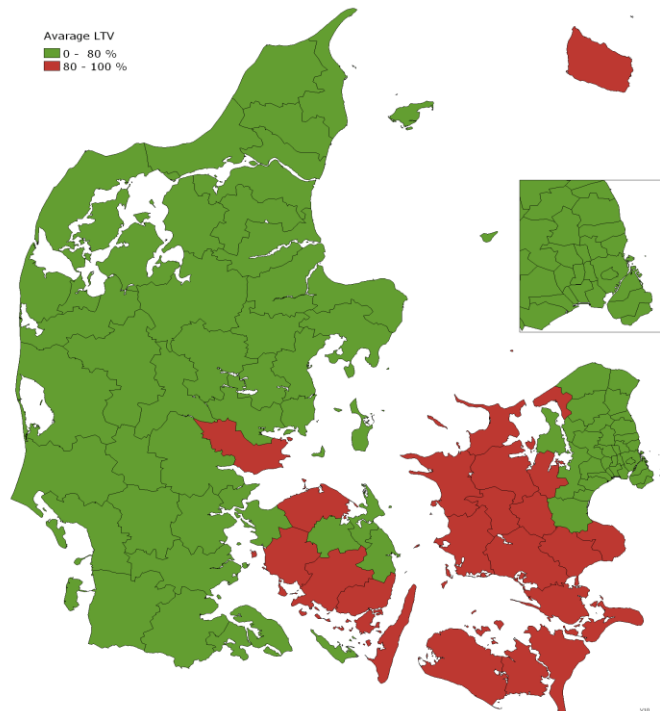


Debt outstanding over 80% LTV with expiry of interest-only period, by year, DKKm



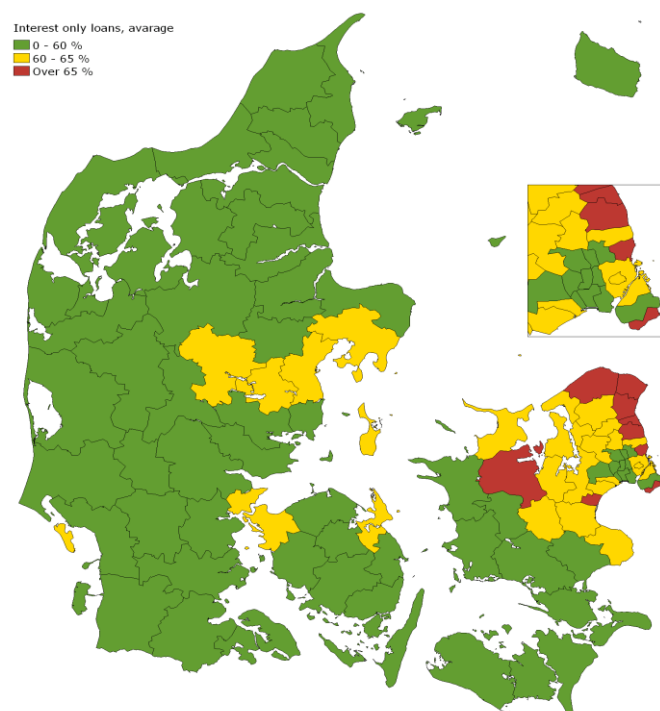
Interest-only loans prevalent where LTVs are low

LTV Ratios



LTV Ratios, home loans, The Nykredit Realkredit Group, H1 2014

Distribution of interest-only loans

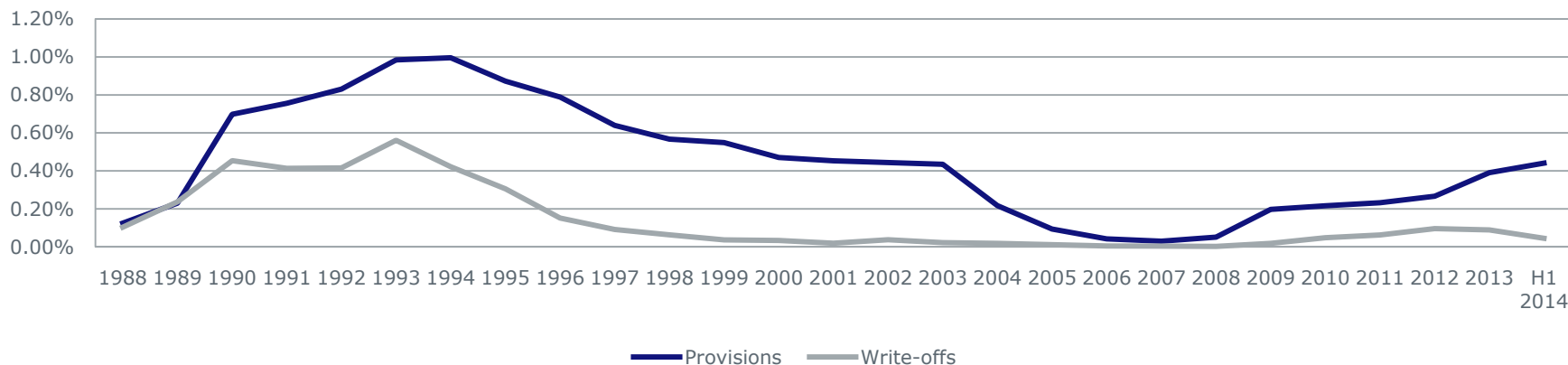


Interest-only, home loans, the Nykredit Realkredit Group, H1 2014

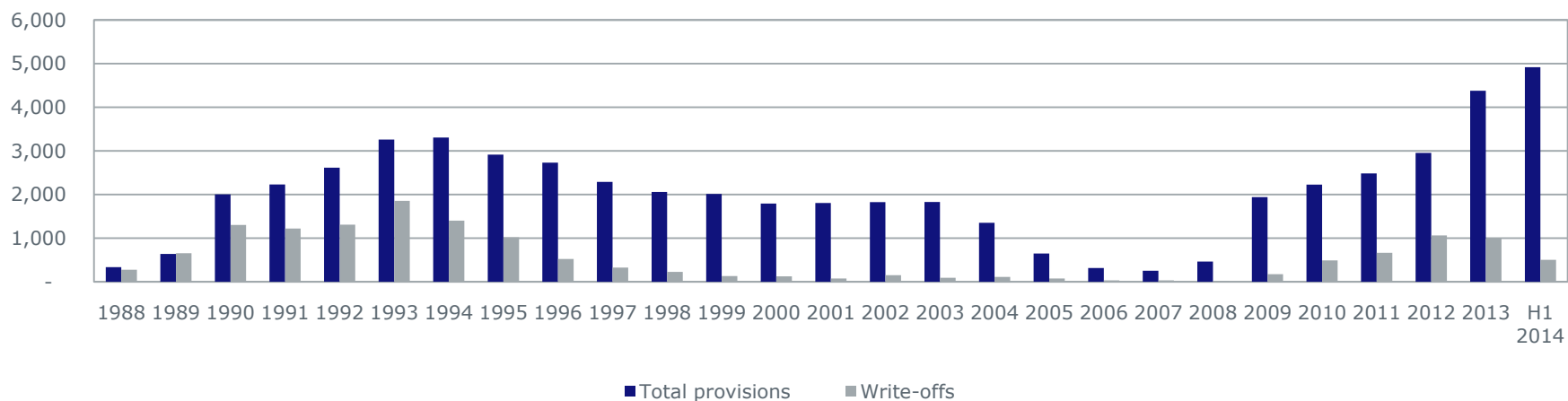
Note: Private residential lending in municipalities with above 80% LTVs and low marketability (above national average of 200 days on market) amounts to 2.6% of total private residential mortgage lending at end-Q2 2014.

Impairment provisions and losses – mortgage lending

Provisions and write-offs as % of loans and advances



Impairment provisions and write-offs, DKKm



Note: Write-offs for H1 2014 has not been annualized

Impairment provisions and losses – mortgage lending

Total impairment provisions - by property type

DKK million	2011	2012	2013	H1 2014
Private residential property	369	641	993	1,144
Private residential rental	392	372	465	507
Industry and trades	168	143	218	209
Office and retail	230	303	555	539
Agriculture	462	440	494	567
Non-profit housing	7	20	40	41
Cooperative housing	76	64	307	655
Other	77	69	131	107
Total Nykredit Realkredit	1,781	2,051	3,204	3,769
Totalkredit	705	899	1,174	1,149
Total	2,486	2,950	4,378	4,918

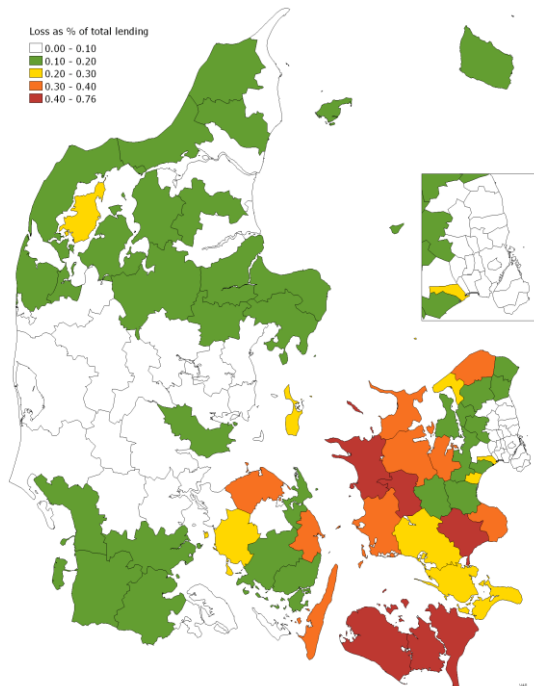
Note: provisions include individual and collective provisions (including provisions following from management judgement)

Impairment losses - by property type

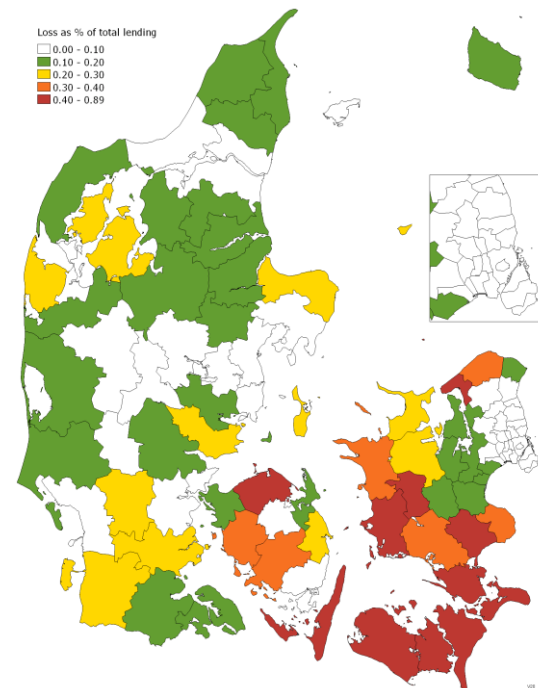
DKK million	2011	2012	2013	H1 2014
Private residential property	361	589	667	278
Private residential rental	(193)	157	189	74
Industry and trades	72	43	114	20
Office and retail	49	207	399	36
Agriculture	270	61	150	119
Non-profit housing	(16)	16	19	3
Cooperative housing	29	-5	248	352
Other	26	20	75	(2)
Total Nykredit Realkredit	598	1,089	1,861	881
Totalkredit	625	789	910	267
Total mortgage lending	1,222	1,878	2,771	1,148
Set-offs, Totalkredit	(177)	(254)	(333)	(124)
Total mortgage lending after set-offs	1,046	1,624	2,437	1,024

Geographical distribution of write-offs/total mortgage lending – private residential property, mortgage lending

Loss as % of total mortgage lending last 4 quarters, H1 2013



Loss as % of total mortgage lending last 4 quarters, H1 2014



Write-offs – mortgage lending

Write-offs - by property type

DKK million	2011	2012	2013	H1 2014
Private residential property	162	241	281	140
Private residential rental	68	176	92	27
Industry and trades	63	68	41	28
Office and retail	92	123	89	64
Agriculture	11	88	110	42
Non-profit housing	1	3	2	-
Cooperative housing	0	4	5	4
Other	5	25	9	20
Total Nykredit Realkredit	402	728	628	325
Totalalkredit	409	558	663	276
Total mortgage lending	811	1,286	1,291	601
Set-offs, Totalalkredit	(177)	(254)	(333)	(124)
Total write-offs after set-offs	634	1,031	958	476

Note: Write-offs for the year regardless whether the loan has been recognised through profit or loss for the same year.

Bank lending – loans, advances and guarantees

Loans and advances

	2010	2011	2012	2013	H1 2014
Public sector	253	237	308	259	222
Agriculture, hunting and forestry	2,019	2,102	1,638	1,640	1,608
Other corporate	53,592	60,111	69,079	89,153	77,912
Total commercial	55,611	62,213	70,717	90,793	79,520
Personal customers	16,128	15,459	14,183	12,786	12,494
Total	71,992	77,909	85,208	103,838	92,236

Guarantees

	2010	2011	2012	2013	H1 2014
Public sector	553	305	205	234	478
Agriculture, hunting and forestry	537	346	319	386	341
Other corporate	7,952	5,314	5,816	5,997	5,633
Total commercial	8,489	5,660	6,135	6,383	5,974
Personal customers	6,183	4,177	5,829	5,003	5,576
Total	15,225	10,142	12,169	11,620	12,028

Bank lending – provisions

Provisions for individual loan impairments and guarantees

	2010	2011	2012	2013	H1 2014
Public sector	-	-	4	-	-
Agriculture, hunting and forestry	77	107	162	168	137
Other corporate	5,599	3,377	3,205	3,002	2,784
Total commercial	5,676	3,484	3,367	3,170	2,921
Personal customers	790	616	532	538	587
Total	6,466	4,100	3,903	3,708	3,508

Collective impairment provisions

	2010	2011	2012	2013	H1 2014
Public sector	-	-	-	8	6
Agriculture, hunting and forestry	5	13	5	9	12
Other corporate	300	234	155	250	206
Total commercial	305	247	160	259	218
Personal customers	117	61	76	103	120
Total	422	308	236	370	344

Total impairment provisions

	2010	2011	2012	2013	H1 2014
Public sector	-	-	4	8	6
Agriculture, hunting and forestry	82	120	167	177	149
Other corporate	5,899	3,611	3,360	3,252	2,990
Total commercial	5,981	3,731	3,527	3,429	3,139
Personal customers	907	677	608	641	707
Total	6,888	4,408	4,139	4,078	3,852

Weak customers and non-performing loans (NPL) – mortgage lending

Exposure to weak customers (rating 0)

	2012	2013	2014	H1 2014
Total impairment provisions, rating 0 (DKK million)	140	215	373	429
Bond debt outstanding with OEI (DKK million)	9,825	10,404	12,734	15,597
Total bond debt outstanding (DKK million)	1,067,606	1,108,797	1,119,970	1,116,736
Bond debt outstanding with OEI/total bond debt outstanding (%)	0.9%	0.9%	1.1%	1.4%

Non-performing loans (rating -1)

	2012	2013	2014	H1 2014
Total impairment provisions, NPL (DKK million)	1,498	1,967	2,741	3,016
Bond debt outstanding, NPL (DKK million)	16,284	18,377	22,412	22,356
Total bond debt outstanding (DKK million)	1,067,606	1,108,797	1,119,970	1,116,736
Bond debt outstanding, NPL/total bond debt outstanding (%)	1.5%	1.7%	2.0%	2.0%

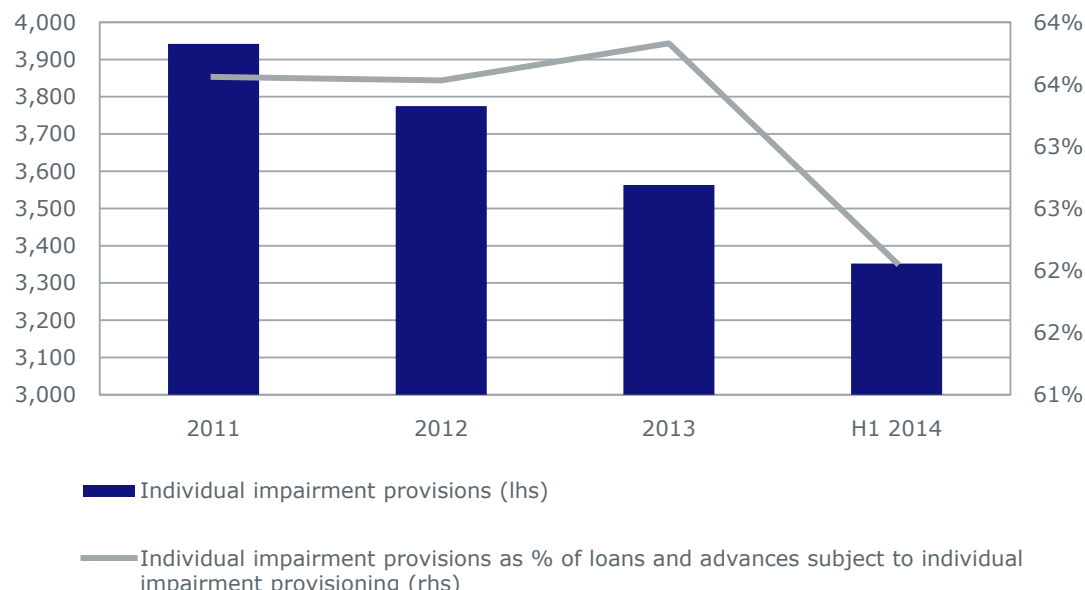
Non-performing loans (NPL) – bank lending

Non performing bank loans (rating NPL)

	2011	2012	2013	H1 2014
Individual impairment provisions	3,942	3,775	3,563	3,352
Non-performing loans of which loans and advances subject to individual impairment provisioning	6,202	5,942	5,582	5,401
Individual impairment provisions as % of loans and advances subject to individual impairment provisioning	64%	64%	64%	62%

Note: Exposures in default includes loans and advances provided for individually and loans and advances to customers with an elevated risk of future default, but not necessarily a high risk of future losses, as the loss risk also depends on any security provided for a loan.

Bank lending - Non performing loans (rating NPL), DKKm



Business areas

Retail	Commercial and Private
Wholesale	Totalkredit partners and Wholesale clients
Group Items	Markets and Asset Managemant

Core income – business areas

Core income - business areas

	Avg. half-year	Avg. half-year	Avg. half-year	H1
DKK million	2011	2012	2013	2014
Core income				
Retail	2,461	2,575	2,838	2,433
Totalkredit Partners	638	740	791	1,122
Wholesale clients	1,077	1,199	990	1,370
Group items	80	16	30	56
Total core income	4,505	4,455	4,649	4,981

Lending and deposits - business areas

	FY	FY	FY	H1
DKK million	2011	2012	2013	2014
Mortgage lending				
Retail	442,387	448,337	445,490	442,371
-of which Nykredit Realkredit	429,972	423,701	408,432	400,320
-of which Totalkredit	12,415	24,635	37,057	42,051
Totalkredit Partners	461,151	484,980	494,677	490,174
Wholesale clients	162,828	175,480	179,803	184,190
Total mortgage lending	1,067,606	1,108,797	1,119,970	1,116,735
Bank lending				
Retail	29,005	22,473	23,304	23,645
Wholesale clients	24,105	24,169	23,484	23,208
Group items	2,666	2,968	175	55
Total bank lending	55,776	49,727	47,024	46,908
Deposits				
Retail	35,013	33,690	36,798	39,225
Wholesale clients	19,401	18,296	27,235	22,105
Group items	2,989	2,049	1,139	434
Total deposits	57,403	54,509	65,172	61,764

In 2010 the segment financial statements were affected by the merger between Nykredit Bank and Forstædernes Bank and a general reorganisation at end-2009 relating to strategy 2013. Comparative figures have been restated to the widest extent possible.

Business areas - Retail

Results - Retail

	Avg. half-year 2011	Avg. half-year 2012	Avg. half-year 2013	H1 2014
DKK million				
Core earnings from				
Business operations	2,706	3,113	3,010	3,038
Value adjustment of devaluations and corporate bonds	(204)	(464)	(89)	(538)
Junior covered bonds	(41)	(73)	(82)	(67)
Total core income	2,461	2,575	2,838	2,433
Operating costs including payment to Guarantee Fund for Depositors and Investors	1,516	1,481	1,532	1,466
Depreciation of property, plant and equipment and amortisation of intangible assets	8	5	5	5
Core earnings before impairment losses	937	1,089	1,302	963
Impairment losses on loans and advances – mortgage lending	432	528	806	795
Impairment losses on loans and advances – banking	184	246	191	139
Core earnings after impairment losses	321	321	311	29

Activity - Retail

	FY 2011	FY 2012	FY 2013	H1 2014
DKK million				
Mortgage lending				
Gross new lending	56,706	66,070	40,189	17,810
Portfolio at nominal value, end of period	442,387	448,337	445,490	442,371
Impairment losses for the period as % of loans and advances	0.20%	0.24%	0.36%	0.18%
Total impairment provisions, end of period				
Individual impairment provisions	822	1,304	1,787	2,249
Collective impairment provisions	733	608	1,044	1,086
Total impairment provisions as % of loans and advances	0.35%	0.43%	0.64%	0.75%
Portfolio of repossessed properties, end of period (properties)	255	276	272	220
Banking				
Loans and advances, end of period	29,005	22,473	23,304	23,645
Deposits, end of period	35,013	33,690	36,798	39,225
Impairment losses for the period as % of loans and advances	1.27%	2.13%	1.59%	0.52%
Total impairment provisions, end of period				
Individual impairment provisions	1,935	1,956	2,084	2,053
Collective impairment provisions	179	139	195	205
Total impairment provisions as % of loans and advances	6.79%	8.53%	8.91%	8.72%
Guarantees, end of period	3,582	3,668	3,244	3,236
Provisions for guarantees, end of period	63	73	48	51

Business areas – Wholesale

Results – Wholesale

DKK million	Avg. half-year 2011	Avg. half-year 2012	Avg. half-year 2013	H1 2014
Core earnings from				
Business operations	1,881	2,155	2,240	2,509
Value adjustment of devertiates and corporate bonds	(112)	(70)	(298)	103
Junior covered bonds	(54)	(145)	(160)	(120)
Total core income	1,715	1,940	1,781	2,492
Operating costs including payment to Guarantee Fund for Depositors and Investors	668	688	677	646
Depreciation of property, plant and equipment and amortisation of intangible assets	247	263	264	3
Core earnings before impairment losses	799	989	841	1,843
Impairment losses on loans and advances – mortgage lending	81	275	402	203
Impairment losses on loans and advances – banking	1	36	(3)	(103)
Core earnings after impairment losses	717	678	442	1,743

Business areas – Totalkredit partners

Results - Totalkredit partners

	Avg. half-year	Avg. half-year	Avg. half-year	H1
DKK million	2011	2012	2013	2014
Core earnings from				
Business operations	685	872	937	1,233
Junior covered bonds	(47)	(132)	(146)	(111)
Total core income	638	740	791	1,122
Operating costs	213	206	205	199
Depreciation of property, plant and equipment and amortisation of intangible assets	246	260	260	-
Core earnings before impairment losses	179	274	326	923
Impairment losses on loans and advances	224	254	277	129
Core earnings after impairment losses	(44)	21	49	795

Activity - Totalkredit partners

	FY	FY	FY	H1
DKK million	2011	2012	2013	2014
Mortgage lending				
Gross new lending	69,952	115,392	56,238	22,280
Portfolio at nominal value, end of period	461,151	484,980	494,677	490,174
Impairment losses for the year as % of loans and advances	0.10%	0.10%	0.11%	0.03%
Total impairment provisions, end of period				
Individual impairment provisions	393	441	458	461
Collective impairment provisions	311	429	681	634
Total impairment provisions as % of loans and advances	0.15%	0.18%	0.23%	0.22%
Portfolio of repossessed properties, end of period (properties)	85	77	46	63

Business areas – Wholesale clients

Results – Wholesale clients

DKK million	Avg. half-year 2011	Avg. half-year 2012	Avg. half-year 2013	H1 2014
Core earnings from				
Business operations	1,196	1,282	1,302	1,276
Value adjustment of devaluations and corporate bonds	(112)	(70)	(298)	103
Junior covered bonds	(7)	(13)	(13)	(9)
Total core income	1,077	1,199	990	1,370
Operating costs including payment to Guarantee Fund for Depositors and Investors	456	482	472	448
Depreciation of property, plant and equipment and amortisation of intangible assets	2	3	3	3
Core earnings before impairment losses	620	714	515	919
Impairment losses on loans and advances – mortgage lending	(142)	21	125	75
Impairment losses on loans and advances – banking	1	36	(3)	(103)
Core earnings after impairment losses	762	657	393	948

Activity – Wholesale clients

DKK million	FY 2011	FY 2012	FY 2013	H1 2014
Mortgage lending				
Gross new lending	30,013	36,106	26,739	15,838
Portfolio at nominal value, end of period	162,828	175,480	179,803	184,190
Impairment losses for the year as % of loans and advances	(0.17%)	0.02%	0.14%	0.04%
Total impairment provisions, end of period				
Individual impairment provisions	140	107	266	388
Collective impairment provisions	81	66	142	101
Total impairment provisions as % of loans and advances	0.14%	0.10%	0.23%	0.27%
Portfolio of repossessed properties, end of period (properties)	7	3	4	3
Banking				
Loans and advances, end of period	24,105	24,169	23,484	23,208
Deposits, end of period	19,401	18,296	27,235	22,105
Impairment losses for the year as % of loans and advances	0.01%	0.30%	(0.03%)	(0.45%)
Total impairment provisions, end of period				
Individual impairment provisions	1,959	1,775	1,461	1,285
Collective impairment provisions	129	82	175	140
Total impairment provisions as % of loans and advances	7.97%	7.13%	6.51%	5.78%
Guarantees, end of period	1,582	936	1,806	1,599
Provisions for guarantees, end of period	51	8	55	58
Assets under management	101,331	103,698	116,269	119,087
Assets under administration				
Nykredit Portefølje Administration A/S	334,796	513,675	598,434	619,741
of which the investment funds of the Nykredit Group	35,417	46,518	51,808	56,749

Business areas – Group items

Results - Group items

	Avg. half-year	Avg. half-year	Avg. half-year	H1
DKK million	2011	2012	2013	2014
Core earnings from				
Business operations	7	(52)	(30)	21
Junior covered bonds	-	-	-	(26)
Securities	322	106	59	60
Total core income	329	54	29	56
Operating costs including payment to Guarantee Fund for Depositors and Investors	329	225	367	361
Depreciation of property, plant and equipment and amortisation of intangible assets	210	114	180	98
Core earnings before impairment losses	(210)	(285)	(518)	(403)
Impairment losses on loans and advances – mortgage lending	-	-	5	11
Impairment losses on loans and advances – banking	10	6	(14)	4
Core earnings after impairment losses	(220)	(291)	(509)	(418)

Activity - Group items

	FY	FY	FY	H1
DKK million	2011	2012	2013	2014
Banking				
Loans and advances, end of period	2,666	2,968	175	55
Deposits, end of period	2,989	2,049	1,139	434
Total impairment provisions, end of period				
Individual impairment provisions	91	90	60	60
Collective impairment provisions	-	15	-	-
Total impairment provisions as % of loans and advances	3.32%	3.43%	25.43%	51.81%
Guarantees, end of period	211	202	1,260	1,515

The Danish economy

Nykredit's regional housing price forecasts

(%)	2012	2013	2014F	2015F
Houses – entire country	(4.1)	0.0	1,0	2.4
Copenhagen	(4.3)	5,7	4,4	3.3
West and South Sealand	(9.7)	(4.6)	(3.8)	0.8
East Jutland	(2.6)	(0.1)	(0.4)	1.8
West Jutland	(2.4)	(2.0)	0.8	1.6
North Jutland	0.4	(0.9)	0.7	2.0
Owner-occupied flats – entire country	(1.4)	7.1	4.2	3.2
Copenhagen	(0.3)	12.7	5.9	4.2
Municipality of Aarhus	(0.8)	4.0	3.5	4.3

Note: F indicates Forecasts

Price growth is stated as annual averages. Selected regions.

The Danish economy

Danish economy - key figures

	2009	2010	2011	2012	2013
GDP	-5.0%	5.8%	1.7%	1.8%	1.8%
Inflation (%)	1.3%	2.3%	2.8%	2.4%	0.8%
Public deficit	-2.8%	-2.7%	-2.0%	-4.2%	-1.9%
Balance of payment	3.4%	5.9%	6.3%	6.0%	7.4%
Unemployment (%)	3.6%	4.3%	4.1%	4.5%	4.4%
Government net foreign assets	72,994	246,563	514,943	689,955	738,225

Source: www.statistikbanken.dk

The above key figures present a general overview of the Danish economy. For household financial indicators, please refer to the financial statement and budget report 2014, pp 67-89, 100-105 (in Danish), of the Danish Ministry of Finance (<http://www.fm.dk/publikationer/2014/finansredegørelse-2014>). 2013 is the latest published year-end result at Statistikbanken.



Definitions

Ratio	Definitions
Return on equity pa	Profit (loss) for the year/period divided by average equity.
Core earnings before impairment losses as % of average equity pa	Core earnings before impairment losses divided by average equity.
Core earnings after impairment losses as % of average equity pa	Core earnings after impairment losses divided by average equity.
Total provisions for loan impairment and guarantees	Total individual and collective impairment provisions as well as provisions for guarantees at year-end/end of period.
Total impairment provisions, %	Total provisions for loan impairment and guarantees at year-end divided by the sum of loans and advances at fair value, arrears and outlays, loans and advances at amortised cost, guarantees and total provisions for loan impairment and guarantees at year-end.
Tier 1 capital ratio, %	Tier 1 capital after deductions divided by risk exposure amount (REA).
Net interest margin, %	Net interest income divided by the difference between average interest-bearing assets and average interest-bearing liabilities for the period.
Return on REA,%	Profit (loss) for the year/period after tax divided by average risk exposure amount.
Average number of full-time staff	The average number of full-time staff, determined on the basis of the Danish ATP method, excluding Nykredit Forsikring A/S and JN Data A/S.
Core income from business operations	Including value adjustment of derivatives, corporate bonds and junior covered bonds.
Total Impairment provisions	The Group's aggregate provisions for loan losses
Impairment losses	Impairment losses equal the earnings impact of loan losses and loan loss provisions for the period concerned
Write-offs	Realized loan losses
Avarage half-year	FY divided by 2.

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