

Fact Book Q1 2016

The Nykredit Realkredit Group

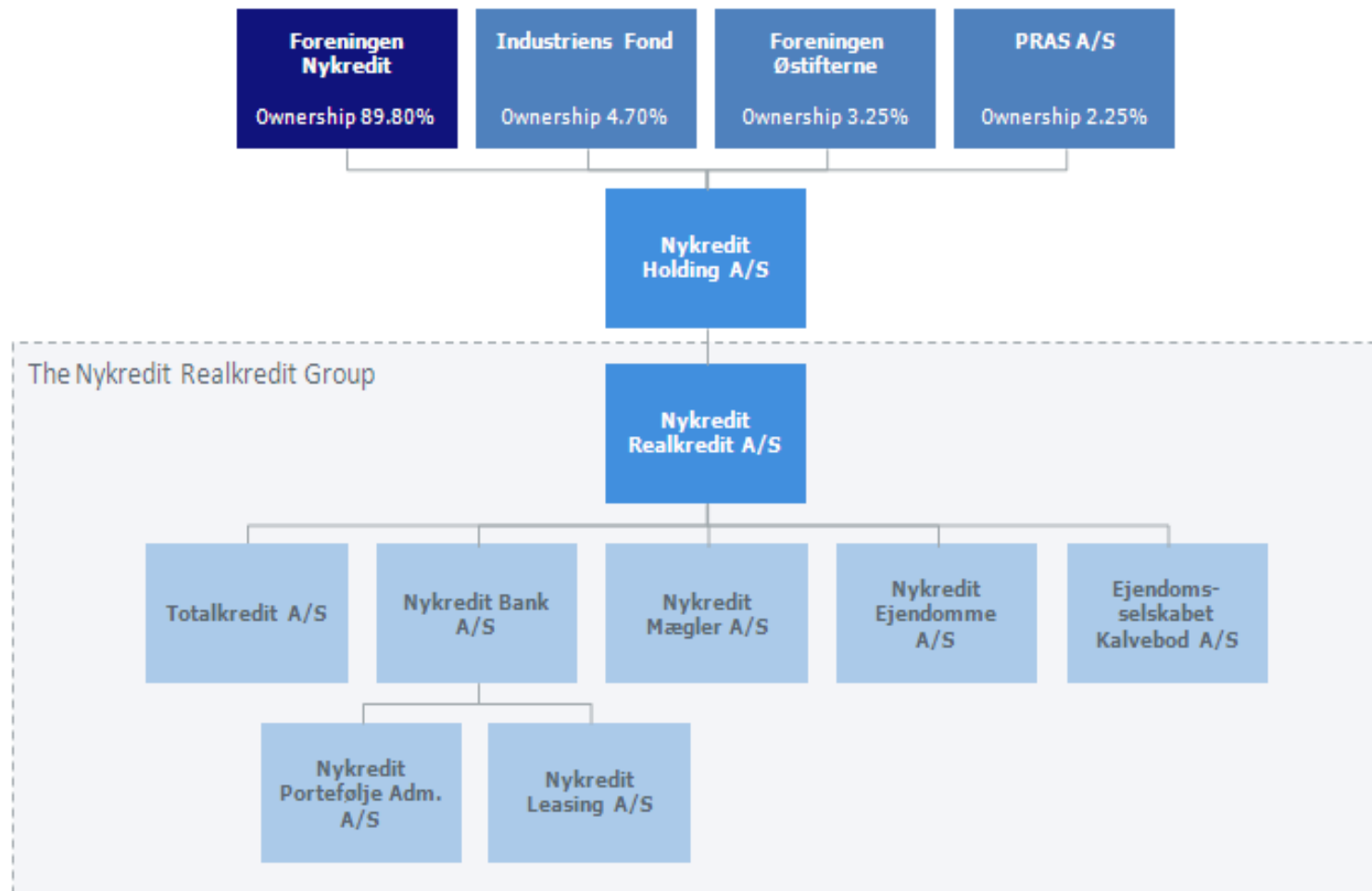
Unaudited

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Note: All figures in the Fact Book are rounded to the nearest DKKm.
The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

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.

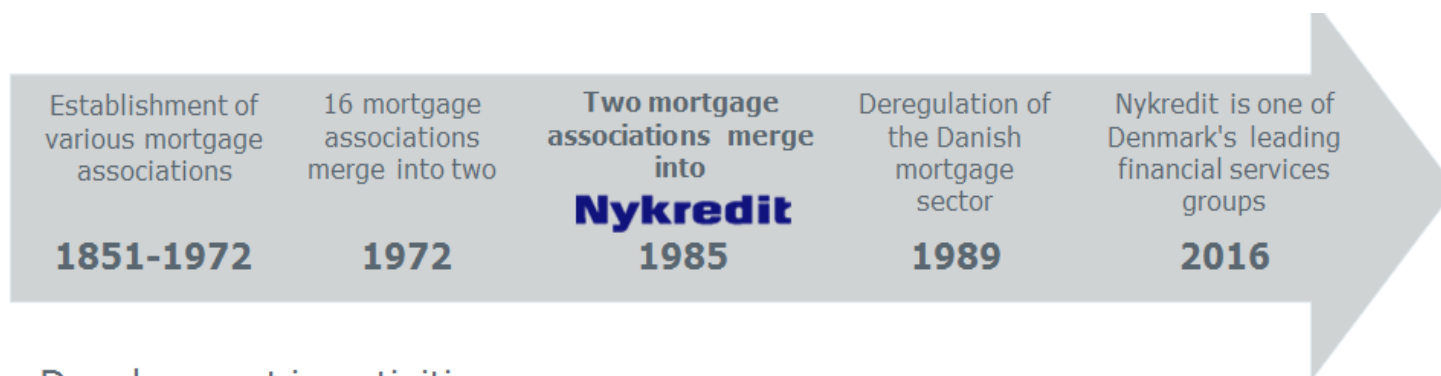
Members

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 104 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 Associations.



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

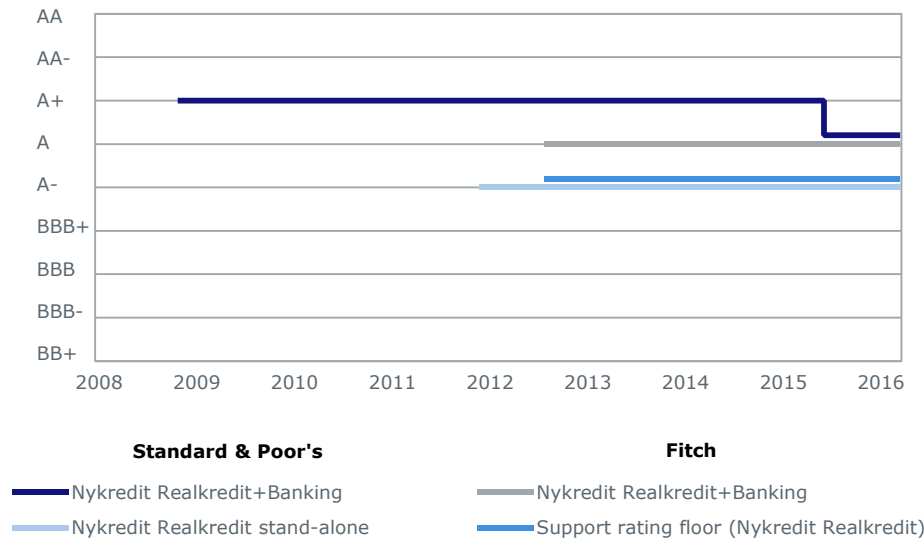
2010 Sale of Nykredit Forsikring

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	
Nykredit in General (covered bonds, RO)	AAA	
Senior secured bonds (junior covered bonds)		
Capital Centre D (senior secured bonds, JCB)	AA-*	
Capital Centre E (senior secured bonds, JCB)	AA-*	
Capital Centre H (senior secured bonds, JCB)	AA-*	
Unsecured debt		
Short-term unsecured rating	A-1	F1
Long-term unsecured rating	A*	A
Capital instruments		
Additional Tier 1	BB+	BB+
Contingent Capital Notes (Tier 2)	BBB	BBB
Tier 2	BBB	A-

*Negative outlook

Nykredit Bank A/S

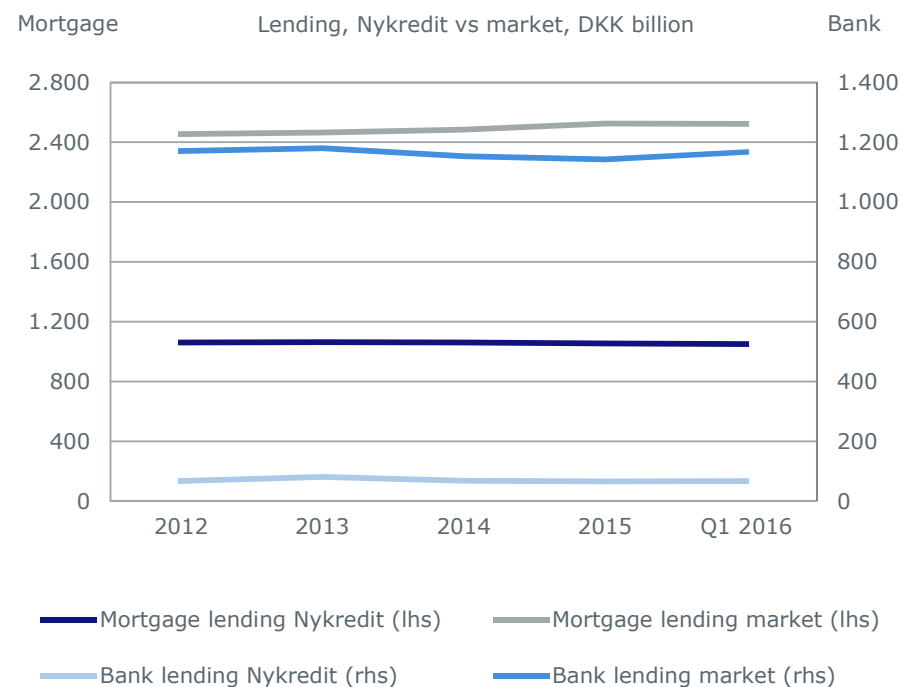
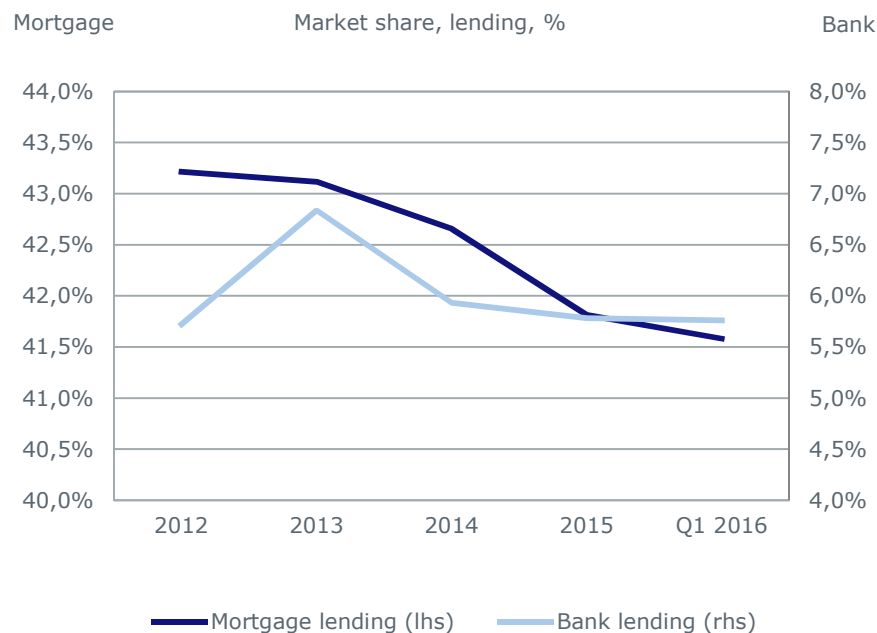
	S&P	Fitch
Short-term deposit rating	A-1	F1
Long-term deposit rating	A*	A
Euro MTN Program		
- Short-term senior debt	A-1	F1
- Long-term senior debt	A*	A
Euro Commercial Paper and Certificate of Deposit Program		
- Short-term senior debt	A-1	F1

*Negative outlook

Market share – lending

Market share

DKK billion	2012	2013	2014	2015	Q1 2016
Bank lending	67	81	68	66	67
Mortgage lending	1.060	1.063	1.060	1.055	1.049
Total	1.127	1.144	1.128	1.121	1.116
Market share					
Bank lending	5,7%	6,8%	5,9%	5,8%	5,8%
Mortgage lending	43,2%	43,1%	42,7%	41,8%	41,6%
Total	31,1%	31,4%	31,0%	30,6%	30,3%



Note: MFI statistics – lending and distribution of market share in Denmark
 Bank lending includes reverse transactions. Mortgage lending at fair value excl monetary and financial institutions.

Results – the Nykredit Realkredit Group

The Nykredit Realkredit Group

DKK million	Avg. quarter 2012	Avg. quarter 2013	Avg. quarter 2014	Avg. quarter 2015	Q1 2016
Core income from					
Business operations	2.557	2.610	2.877	2.986	2.892
Senior and subordinated debt	(225)	(236)	(234)	(153)	(118)
Securities	53	30	33	10	11
Income from core business	2.111	2.210	1.835	2.946	2.785
Operating costs, depreciation and amortisation	1.399	1.512	1.276	1.251	1.165
Mortgage business contribution to Resolution Fund	-	-	-	15	34
Profit from core business before impairment losses	596	583	215	1.118	1.586
Impairment losses on mortgage loans and advances	398	604	533	260	(35)
Impairment losses on bank loans and advances	139	87	55	(30)	(16)
Profit from core business	59	(108)	(373)	888	1.637
Value adjustments of interest rate swaps	(274)	(194)	(841)	103	(802)
Impairment of goodwill and customer relationships	-	-	(213)	(491)	-
Investment portfolio income	611	472	195	213	60
Profit (loss) before tax	786	479	(47)	1.171	895
Tax	144	60	23	374	191
Profit (loss) for the period	642	419	(69)	798	705

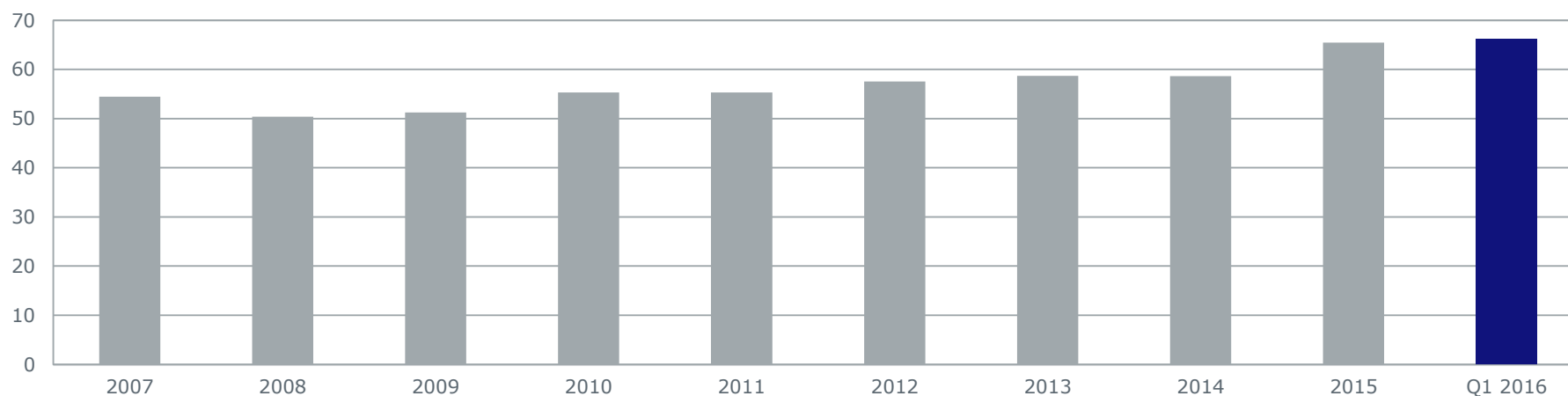
Note: Largely all the Group's investment activities are marked to market, for which reason group earnings exhibit a certain degree of volatility.

Balance sheet summary – the Nykredit Realkredit Group

The Nykredit Realkredit Group

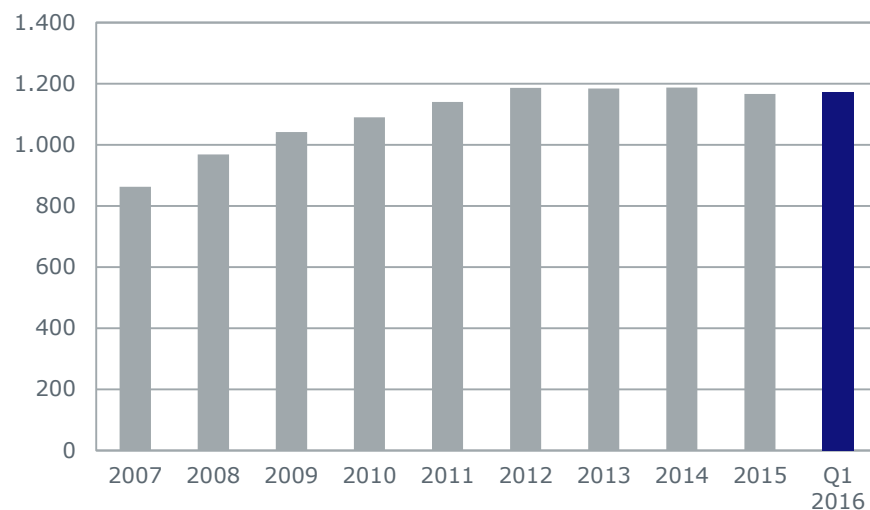
DKK million	2012	2013	2014	2015	Q1 2016
Assets					
Receivables from credit institutions and central banks	60.174	35.758	42.288	23.253	28.798
Mortgage loans at fair value	1.136.445	1.136.644	1.137.099	1.119.101	1.122.218
Bank loans and advances - excl reverse transactions	49.728	46.963	50.495	46.747	48.972
Bonds and equities	82.413	92.961	131.383	110.294	116.892
Remaining assets	104.645	105.087	96.036	84.394	83.277
Total assets	1.433.405	1.417.414	1.457.301	1.383.789	1.400.157
Liabilities and equity					
Payables to credit institutions and central banks	67.539	44.393	44.863	30.226	44.015
Deposits	54.509	65.172	65.232	62.599	59.583
Bonds in issue at fair value	1.103.818	1.130.020	1.167.163	1.137.314	1.135.251
Subordinated debt	11.281	10.964	11.394	11.006	11.240
Remaining liabilities	138.701	108.148	109.998	77.184	83.931
Equity	57.556	58.716	58.650	65.460	66.137
Total liabilities and equity	1.433.405	1.417.414	1.457.301	1.383.789	1.400.157

Equity, DKKbn

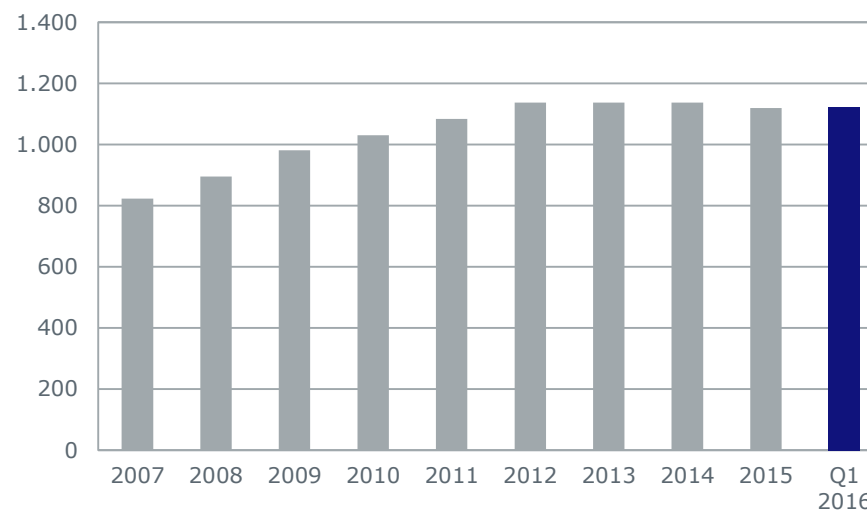


Balance sheet summary – the Nykredit Realkredit Group

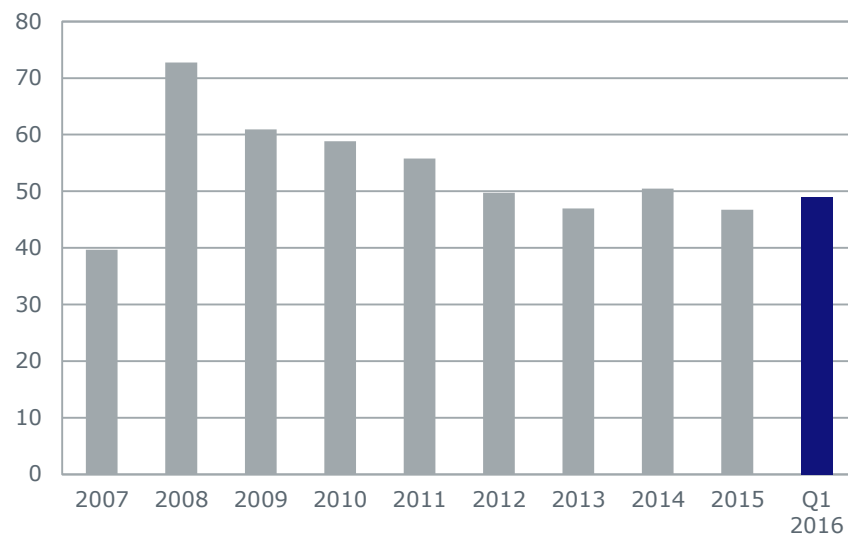
Total lending, DKKbn



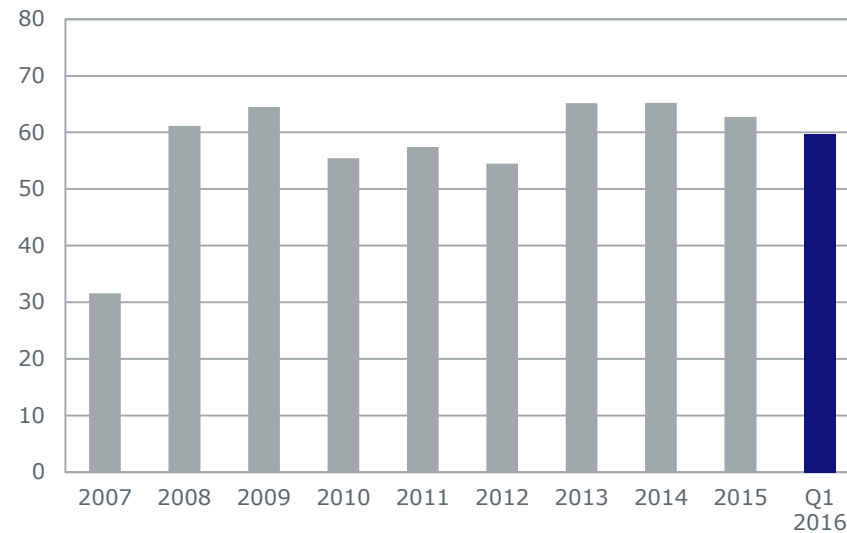
Total mortgage lending, DKKbn



Total bank lending, DKKbn



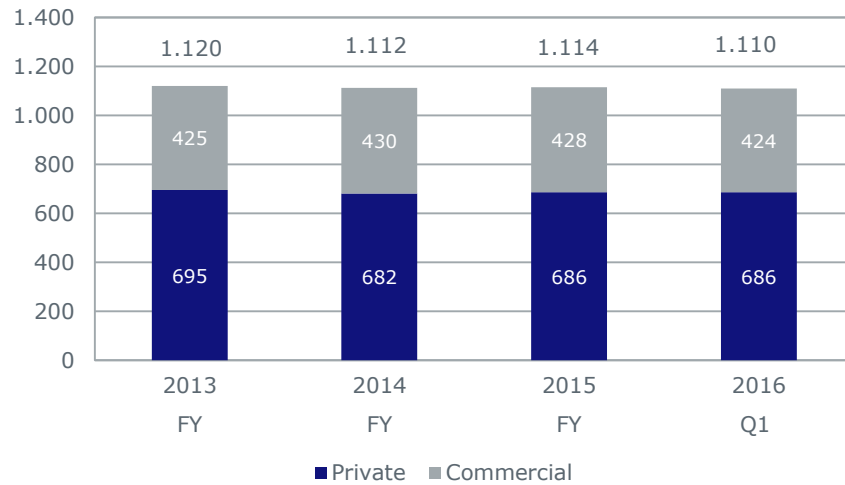
Total bank deposits, DKKbn



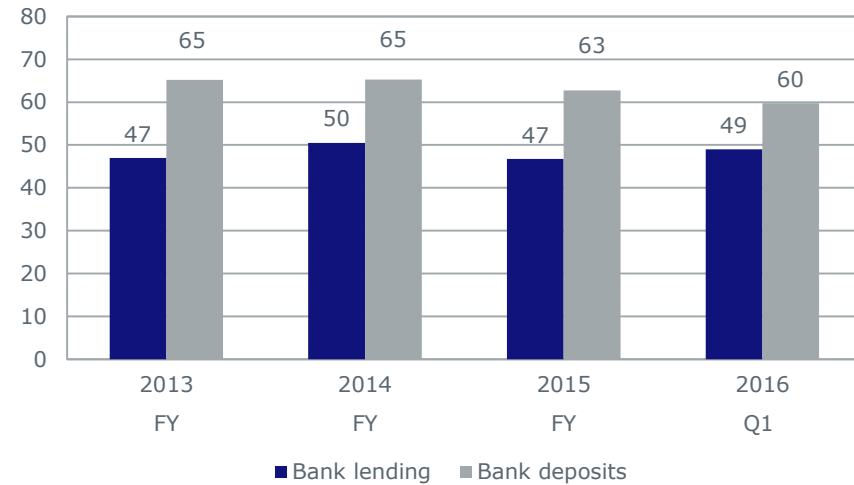
Note: Mortgage lending based on fair value. Bank lending excludes reverse transactions.

Lending and deposits

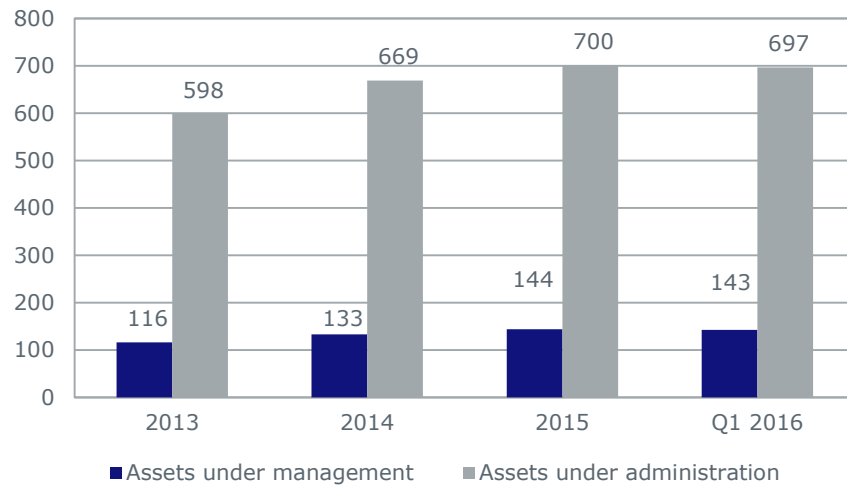
Nominal mortgage lending, DKKbn



Bank lending and bank deposits, DKKbn

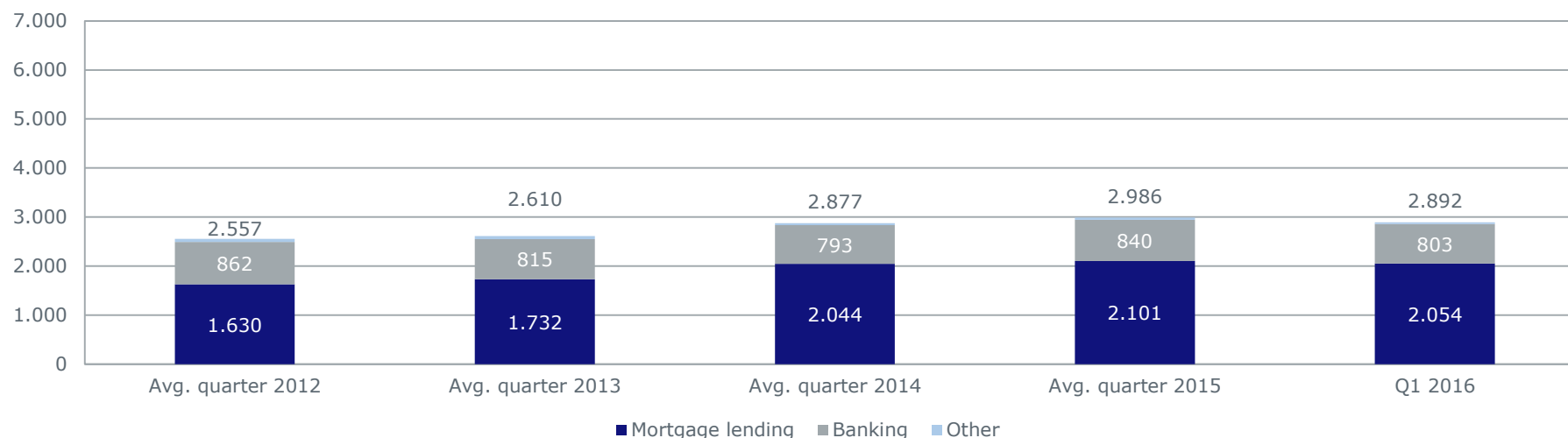


Assets under administration, DKKbn

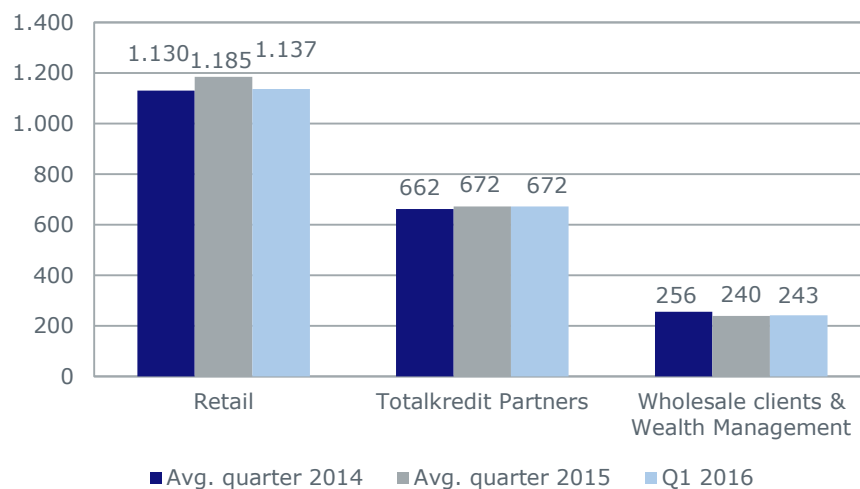


Breakdown of core income – the Nykredit Realkredit Group

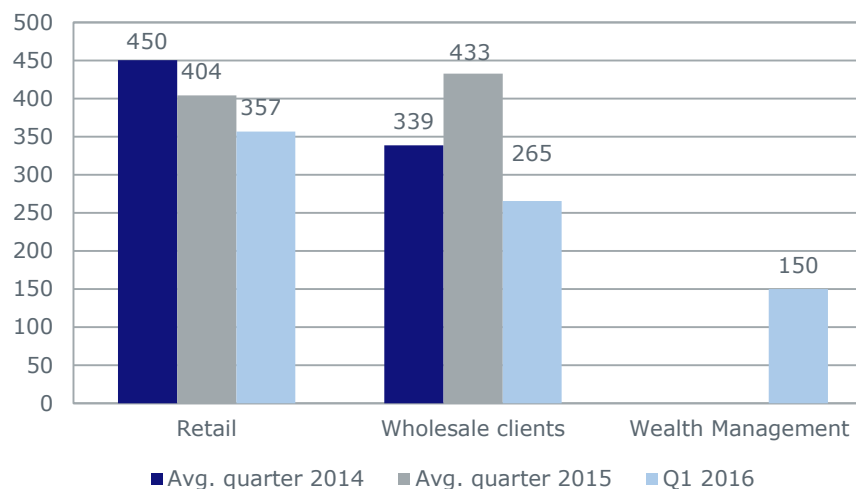
Core income from business operations, actual Q1 2016 and average quarter previous years, DKKm.



Mortgage - Core income from business operations by business area excl Group items, actual Q1 2016 and average quarter previous years, DKKm.



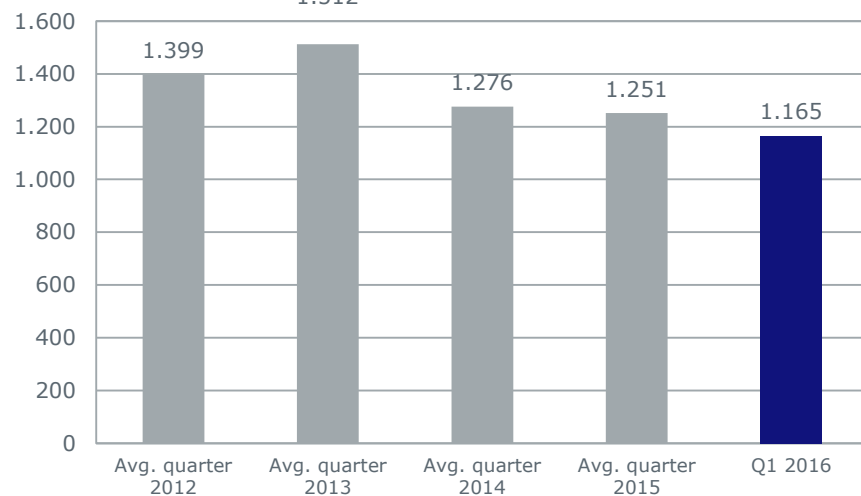
Banking - Core income from business operations by business area excl Group items, actual Q1 2016 and average quarter previous years, DKKm.



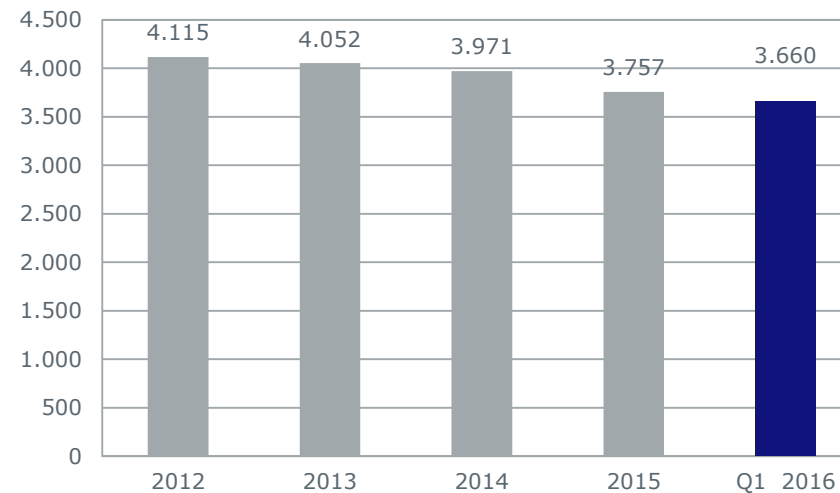
Note: Wealth Management is included in Wholesale Clients in earlier periods

Breakdown of costs

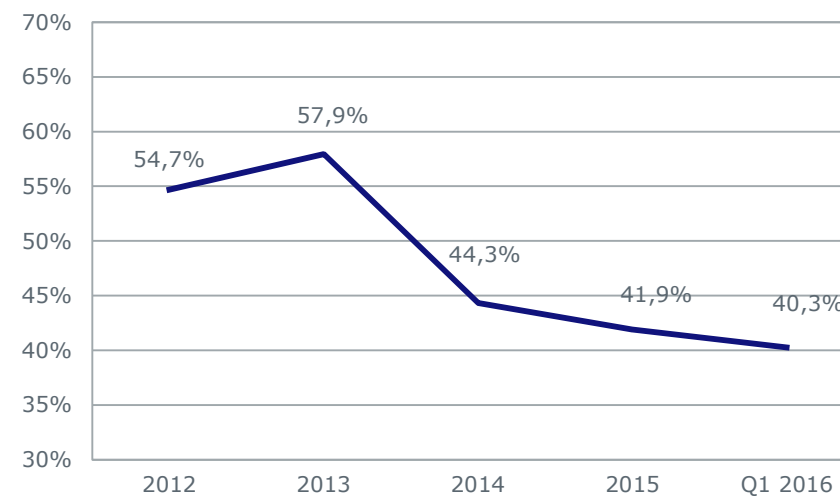
Operating costs, the Nykredit Realkredit Group, DKKm



Average number of full-time employees



Cost:income ratio, %



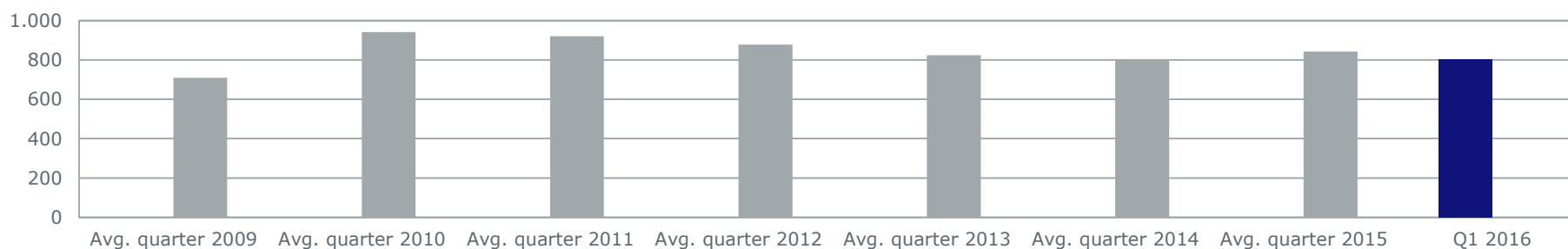
Note: Operating costs, depreciation and amortisation, excl special value adjustments as % of core earnings from business operations

Results – the Nykredit Bank Group

The Nykredit Bank Group

DKK million	Avg. quarter 2012	Avg. quarter 2013	Avg. quarter 2014	Avg. quarter 2015	Q1 2016
Core income from					
Business operations	862	816	793	840	803
Securities	15	8	7	2	3
Income from core business	877	824	801	842	806
Operating costs, depreciation and amortisation	462	518	502	480	474
Value adjustment of associate	-	20	-	-	-
Profit from core business before impairment losses	415	274	292	361	331
Impairment losses on bank lending	139	87	55	(30)	(16)
Profit from core business	276	186	237	391	347
Value adjustments of interest rate swaps	(267)	(194)	(841)	103	(802)
Impairment of goodwill	-	-	-	2	-
Investment portfolio income	8	(10)	11	9	(5)
Profit (loss) before tax	17	21	(593)	503	(459)
Tax	-	2	(150)	117	(102)
Profit (loss) for the period	17	19	(443)	386	(357)

Income from core business Q1 2016, DKKm



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.

Balance sheet summary – the Nykredit Bank Group

The Nykredit Bank Group

DKK million	2012	2013	2014	2015	Q1 2016
Assets					
Cash balance and receivables from credit institutions and central banks	44.812	23.173	33.884	13.425	20.305
Loans, advances and other receivables at fair value	35.401	56.814	35.228	39.467	34.963
Loans, advances and other receivables at amortised cost	49.807	47.024	50.494	46.747	48.972
Bonds at fair value and equities	58.399	64.219	65.314	40.412	42.688
Remaining assets	52.099	32.904	44.963	34.288	37.849
Total assets	240.518	224.134	229.883	174.339	184.777
Liabilities and equity					
Payables to credit institutions and central banks	55.355	57.732	63.876	34.957	41.552
Deposits and other payables	54.701	65.405	65.349	62.758	59.747
Bonds in issue at amortised cost	28.498	26.689	25.881	20.150	18.031
Other non-derivative financial liabilities at fair value	33.741	29.248	19.943	11.776	17.537
Remaining payables	53.467	30.213	41.913	28.267	31.868
Provisions	235	247	246	213	181
Subordinated debt	250	250	100	100	100
Equity	14.270	14.347	12.575	16.117	15.760
Total liabilities and equity	240.518	224.134	229.883	174.339	184.777

Nykredit Bank A/S

Supervisory diamond (calculated at parent level)

	2013	2014	2015	Q1 2016
Lending growth (limit value <20%)	(7,6)	6,8	(7,5)	4,9
Large exposures (limit value <125%)	0,0	34,5	11,1	11,1
Property exposure (limit value <25%)	10,4	13,6	11,4	11,9
Funding ratio (limit value < 1.0%)	0,5	0,6	0,5	0,6
Excess liquidity coverage (limit value >50%)	276,0	281,6	346,5	213,2

Income from securities - the Nykredit Realkredit Group

Net income from securites

DKK million	Avg. quarter 2013	Avg. quarter 2014	Avg. quarter 2015	Q1 2016
Core income from securities	29	32	10	11
Investment portfolio income	472	195	213	60
Total investment portfolio income through profit or loss	501	227	223	71
Investment portfolio income through equity	(75)	64	5	(29)
Total investment portfolio income	426	292	228	43
- of which bonds	205	133	125	81
- of which equity	80	52	34	(46)
- of which strategic equities	101	70	48	(10)
- of which others	40	36	21	18

Ten year Danish government bond yield, %



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

Ratios and keyfigures – the Nykredit Realkredit Group

Keyfigures

DKK million	2012	2013	2014	2015	Q1 2016
Net interest margin, %					
The Nykredit Realkredit Group	0,80%	0,75%	0,82%	0,86%	0,83%
Impairment losses for the period as % of loans and advances					
Mortgage lending	0,14%	0,22%	0,19%	0,09%	(0,00%)
Banking	0,5%	0,3%	0,2%	(0,1%)	(0,0%)
Write-offs*					
Mortgage lending	1.024	949	1.042	1.060	197
Banking	848	613	651	651	95
Swaps	63	148	100	106	19
Total provisions for loan impairment					
Mortgage lending	2.954	4.378	5.507	5.694	5.471
Banking (including guarantees excluding financial institutions)	4.139	4.078	3.665	2.951	2.850
Swaps	1.496	2.229	5.421	5.088	5.723
Total provisions for loan impairment/write-offs					
Mortgage lending	2,9	4,6	5,3	5,4	27,8
Banking	4,9	6,7	5,6	4,5	30,0
Swaps	-	15,1	54,2	48,0	301,2

*Write-offs for Q1 2016 has not been annualized.

Ratios

%	2012	2013	2014	2015	Q1 2016
Return on average equity, before tax, p.a., %	5,60%	3,30%	-0,30%	7,50%	5,40%
Return on assets, %	0,18%	0,12%	-0,02%	0,22%	0,20%
Return on REA, %	0,79%	0,48%	-0,08%	1,03%	0,91%

Note: Nykredit's earnings should be seen relative to the balance sheet structure. 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.

Ratios and keyfigures – the Nykredit Realkredit Group

Capital ratios

%	2012	2013	2014	2015	Q1 2016
Tier 1 capital ratio, %	19,1%	18,9%	17,2%	20,5%	20,6%
Common Equity Tier 1 (CET1) capital ratio, %	15,8%	15,8%	15,4%	19,4%	19,5%
Leverage ratio, %*	-	-	-	4,4%	4,3%

* Previous years not computed.

Exposure - weighted average risk weights

%					
Retail IRB - Mortgage	-	-	-	-	12,4
Commercial IRB - Mortgage	-	-	-	-	22,5
Retail IRB - Banking	-	-	-	-	53,4
Business IRB - Banking	-	-	-	-	36,1
Retail IRB - Group	-	-	-	-	53,4
Commercial IRB - Group	-	-	-	-	36,1

Ratios

DKK million	2012	2013	2014	2015	Q1 2016
The Nykredit Realkredit Group					
CET1, fully loaded ¹	-	-	54.241	60.257	60.458
Distance to MDA, not fully loaded ²	-	-	-	38.351	38.580
Distance to MDA, fully loaded ^{1, 3}	-	-	26.198	35.589	35.872
Available Distributable Items (ADI)	-	-	-	26.230	26.371 ⁴
Asset encumbrance	-	-	-	84%	84%
Nykredit Realkredit A/S					
CET1, fully loaded ¹	-	-	54.308	60.249	60.699
Distance to MDA, not fully loaded ²	-	-	-	34.465	35.085
Distance to MDA, fully loaded ^{1, 3}	-	-	25.791	32.453	33.174
Available Distributable Items (ADI)	-	-	-	27.427	28.039 ⁵

Note: Previous years not computed.

¹ In the above table CET1 CRR fully loaded is calculated under the assumption that all deductions are taken in CET1.

² Maximum Distributable Amount (MDA): Estimated MDA buffers calculated under the assumption that AT1 and T2 requirements are covered by relevant capital instruments

³ Maximum Distributable Amount (MDA): Estimated MDA buffers calculated under the assumption that AT1 and T2 requirements are covered by relevant capital instruments and that REA increases to approx. DKK 345bn. for Nykredit Realkredit Group and approx. DKK 390bn. for Nykredit Realkredit A/S.

⁴ According to Danish legislation, capital cannot be distributed if dividend payments impair any regulatory capital requirements. Nykredit Realkredit Group's total capital amounts to DKK 74.6bn. Maximum capital requirement is the transitional floor of DKK 48.3bn. Hence at least DKK 26.2bn is available for distribution in line with the CRR definition.

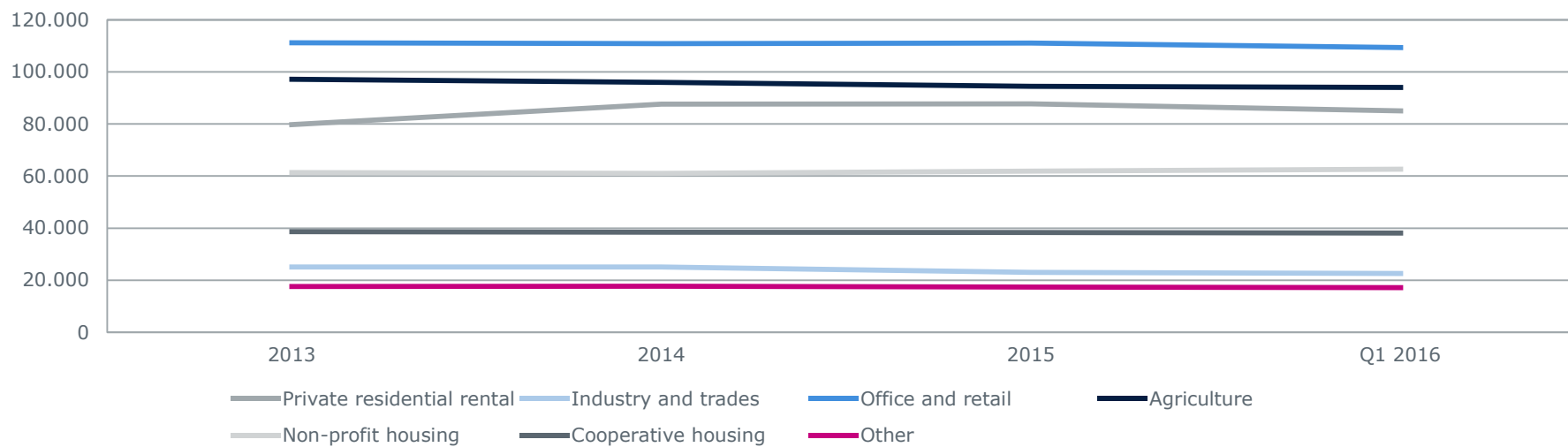
⁵ According to Danish legislation, capital cannot be distributed if dividend payments impair any regulatory capital requirements. Nykredit Realkredit's total capital amounts to DKK 74.8bn. Maximum capital requirement is the transitional floor of DKK 36.3bn. However retained earnings amount to DKK 28bn and that is the maximum amount available for distribution.

Mortgage lending

Mortgage lending, nominal value, DKKm



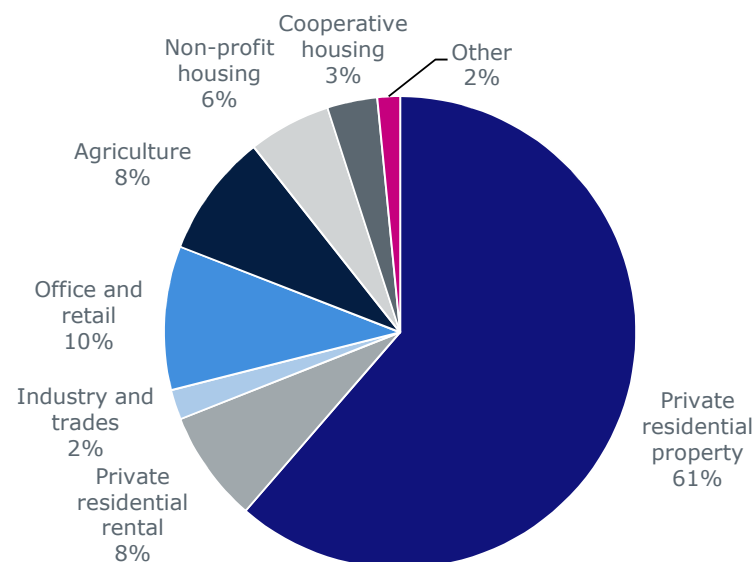
Mortgage lending by property type (excl.private residential property), nominal value,DKKm



Mortgage lending

Mortgage lending – by property type

DKK million, nominal value	2013	2014	2015	Q1 2016	Average impairment losses 2013 - Q1 2016	Average write-offs 2013 - Q1 2016
Private residential property	689.057	674.974	680.401	680.790	0,09%	0,08%
Private residential rental	79.692	87.575	87.757	85.062	0,13%	0,10%
Industry and trades	25.119	25.058	22.999	22.643	0,19%	0,22%
Office and retail	111.215	110.874	111.093	109.312	0,13%	0,11%
Agriculture	97.217	95.982	94.438	93.980	0,25%	0,12%
Non-profit housing	61.385	61.050	61.941	62.699	-0,08%	0,00%
Cooperative housing	38.649	38.481	38.318	38.082	0,53%	0,00%
Other	17.636	17.750	17.374	17.145	0,12%	0,14%
Total	1.119.970	1.111.744	1.114.321	1.109.712	0,12%	0,09%



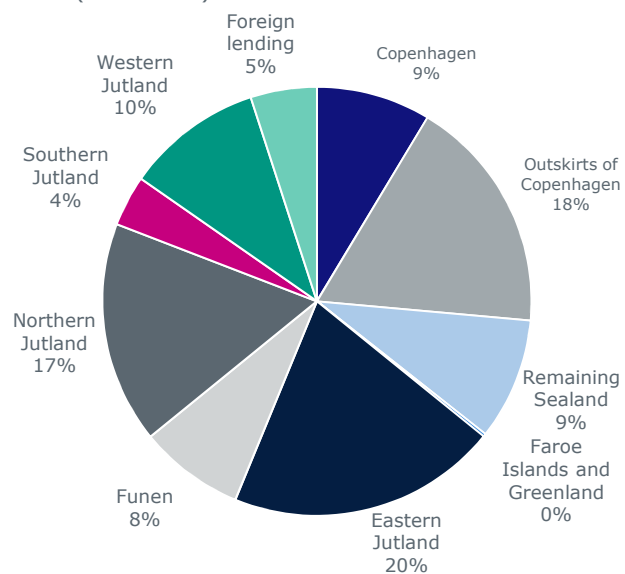
Note: The breakdown by property type is not directly comparable with the Group's business areas. Impairment losses and write-offs has been annualized for the calculation of average impairment losses and average write-offs.

Mortgage lending

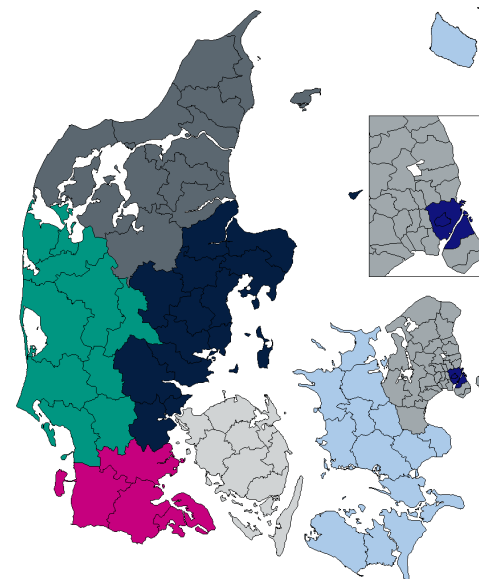
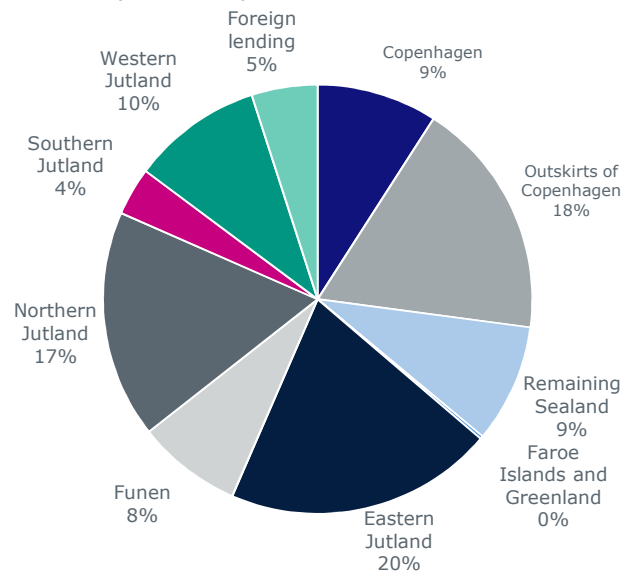
Mortgage lending at nominal value by geography

DKK billion	2012	2013	2014	2015	Q1 2016
Copenhagen	96	98	99	101	101
Outskirts of Copenhagen	198	199	197	199	200
Remaining Sealand	102	102	102	100	99
Faroe Islands and Greenland	3	3	3	2	2
Eastern Jutland	226	229	225	225	225
Funen	88	87	86	86	88
Northern Jutland	186	189	189	190	190
Southern Jutland	43	42	42	41	40
Western Jutland	115	116	114	112	109
Foreign lending	55	56	56	58	55

2012 (DKK billion)

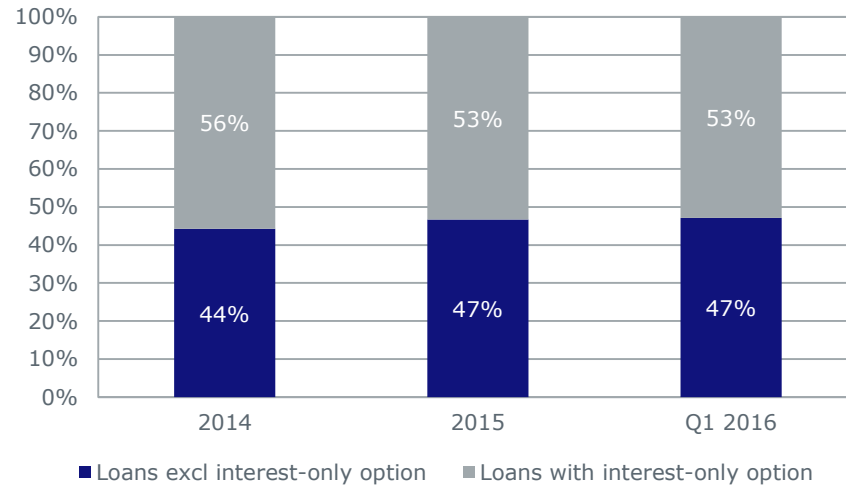


Q1 2016 (DKK billion)

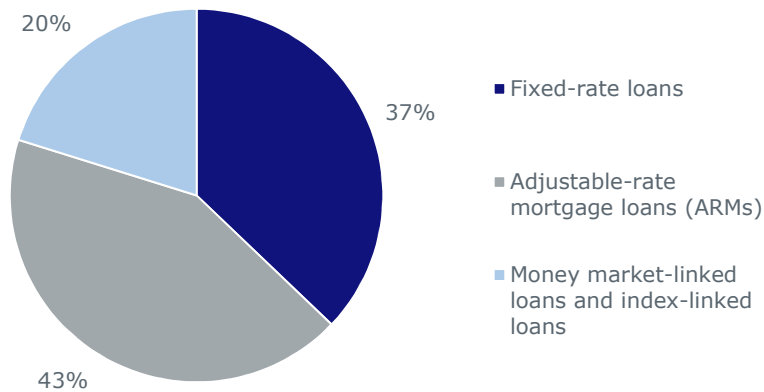


Mortgage lending

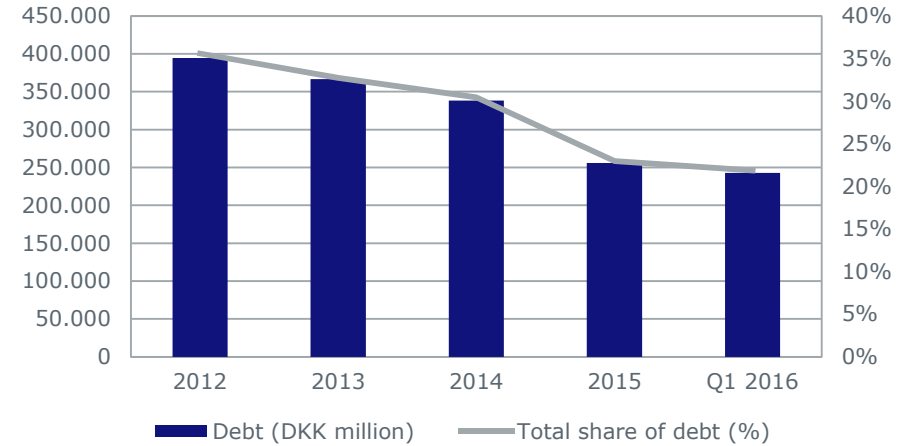
Bond debt outstanding by loan and interest type, all segments



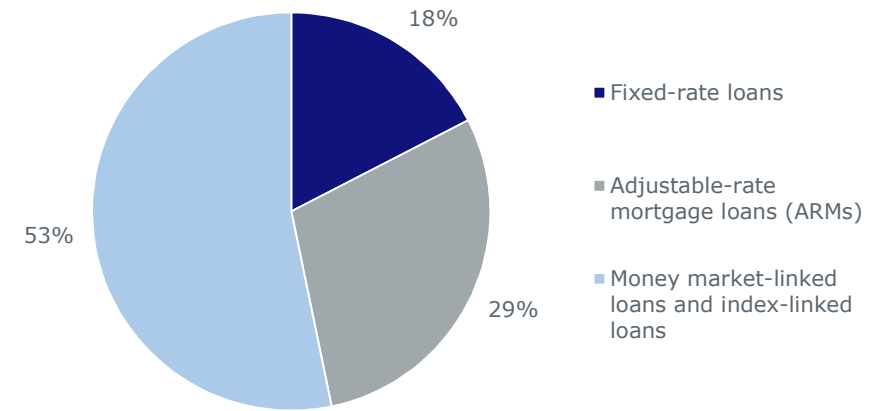
Mortgage lending by loan type, private residential properties, Q1 2016



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.

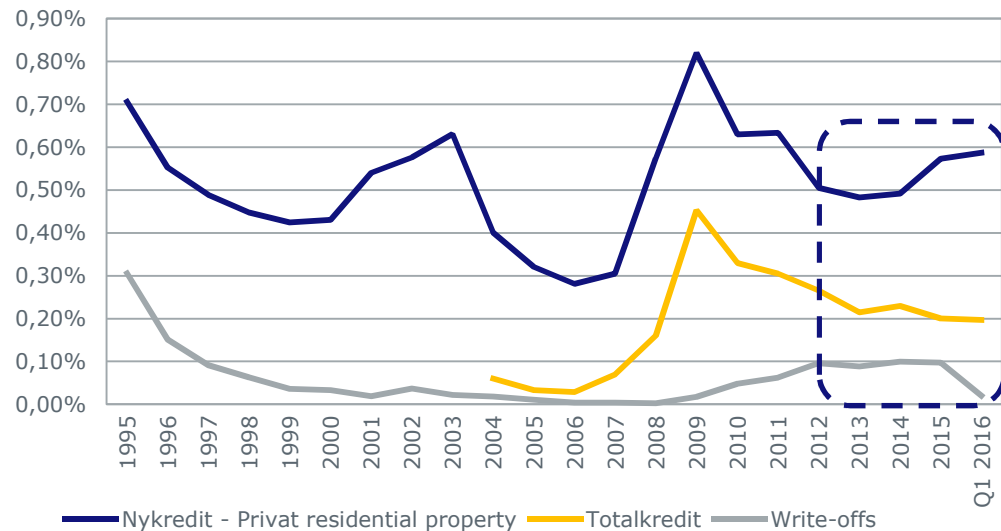


Mortgage lending by loan type, commercial, Q1 2016



Arrears – mortgage lending

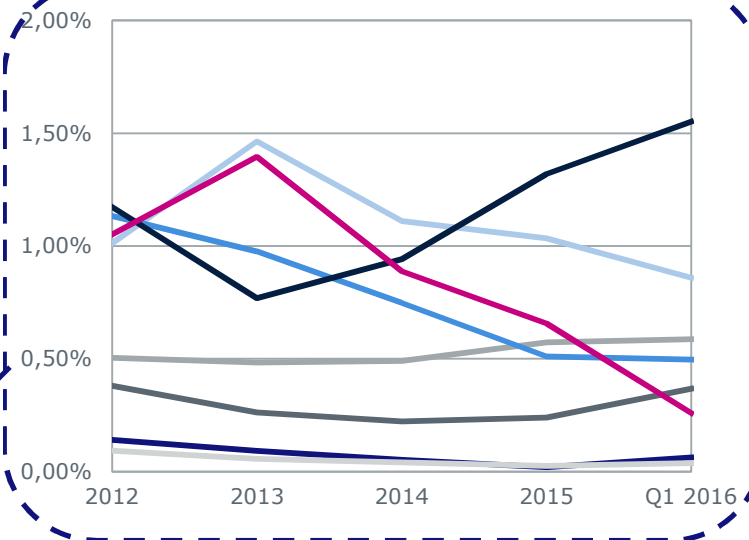
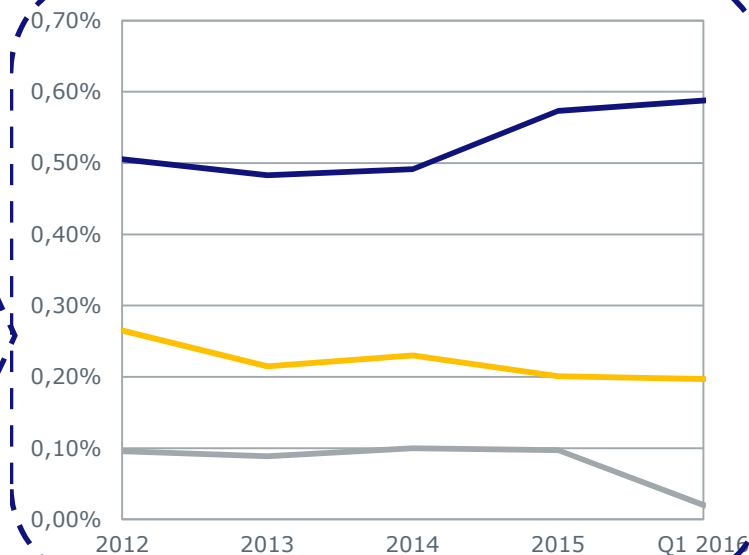
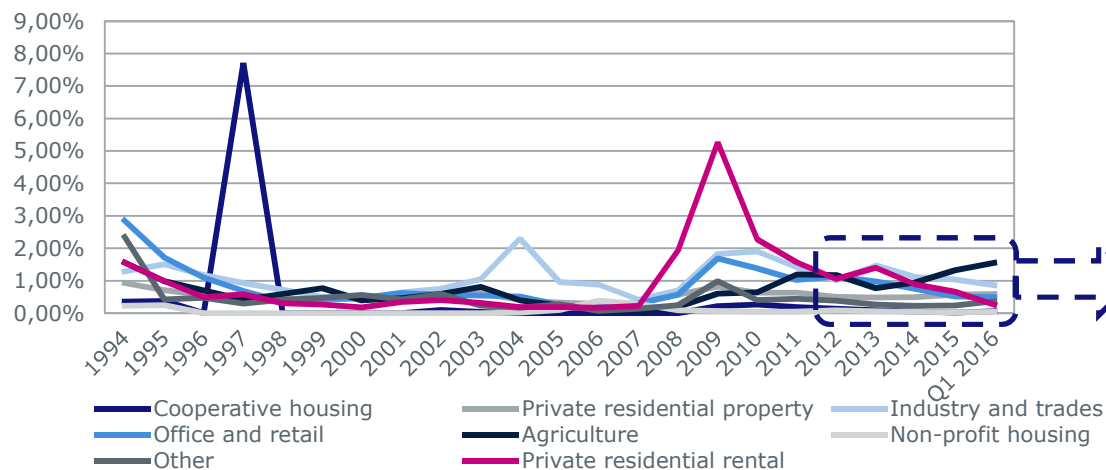
Arrears - 75 days past due, %



Note: Totalkredit has been consolidated with Nykredit Realkredit from 10 November 2003.

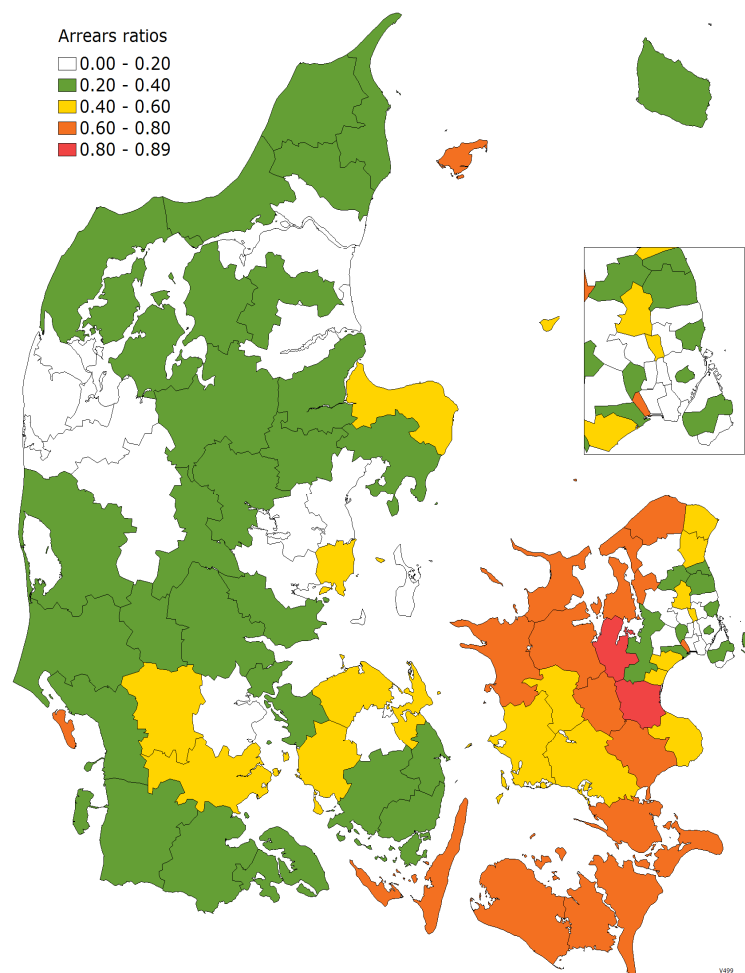
Q1 2016 write-offs has not been annualized.

Arrears, 75 days past due, %

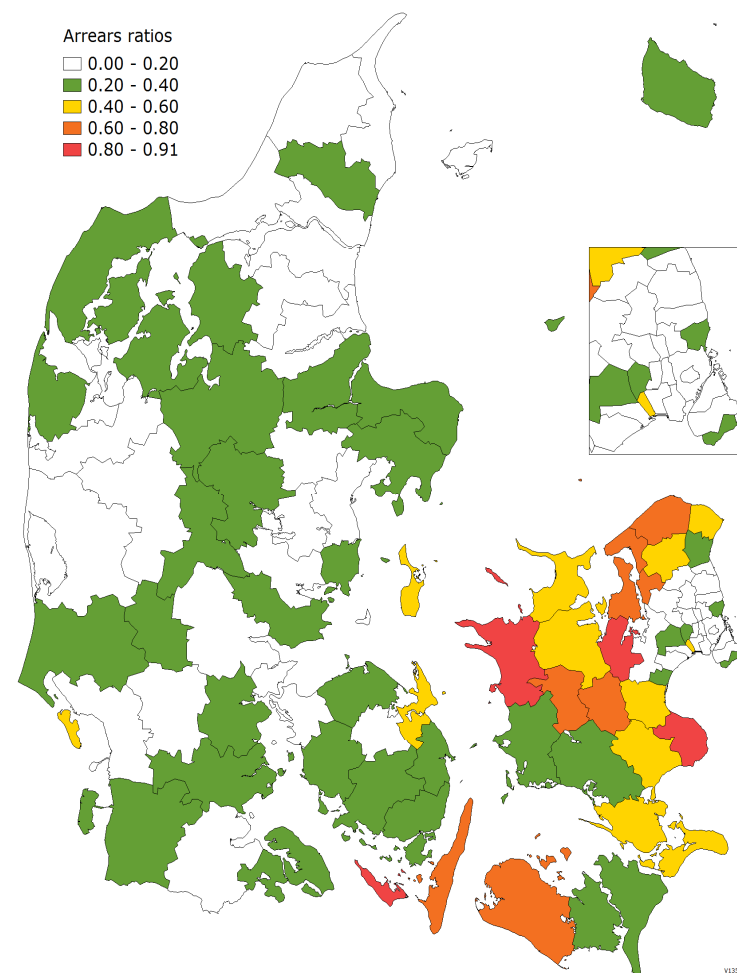


Geographical distribution of arrears/total mortgage lending – private residential property, mortgage lending

75 day-arrears, Q1 2015

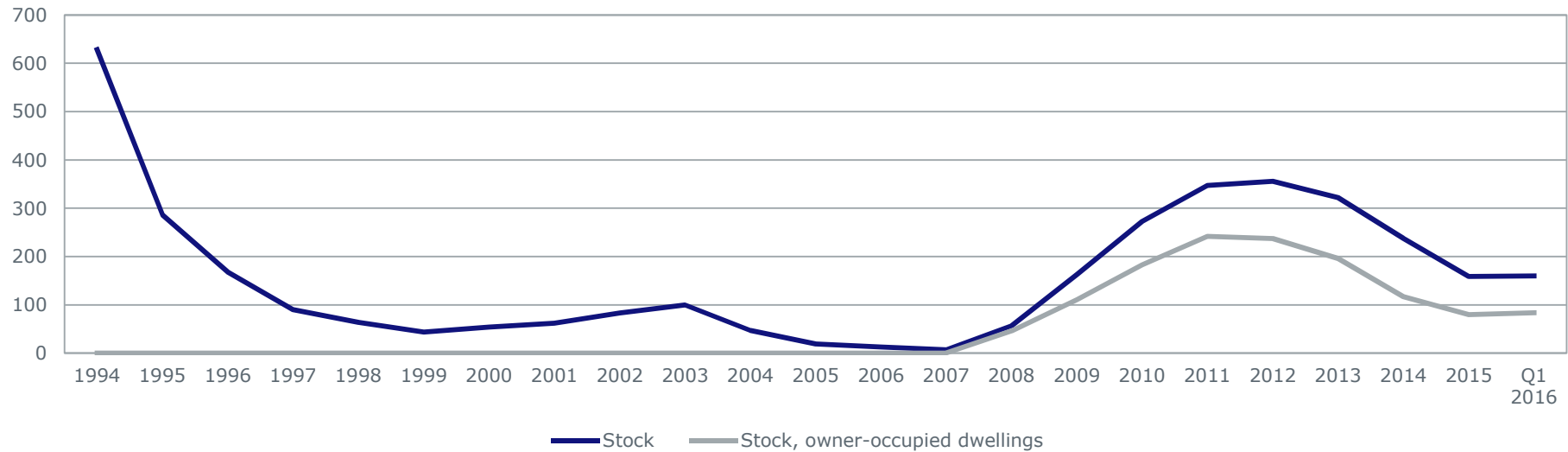


75 day-arrears, Q1 2016

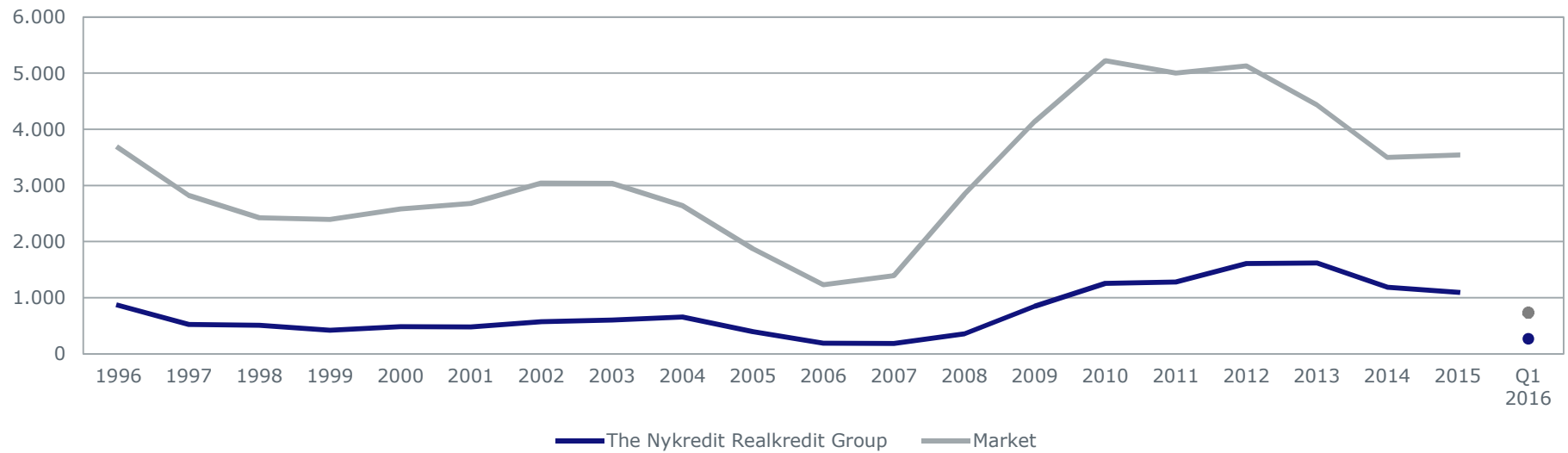


Reposessed properties and forced sales

Reposessions, The Nykredit Realkredit Group



Forced sales in Denmark



Risk relating to mortgage lending

Debt outstanding relative to estimated property values, continuous distribution Q1 2016 Fair value 2016 LTV (loan-to-value), The Nykredit Realkredit Group

DKK million	0-40	40-60	60-80	80-100	Over 100	Non-profit housing	Total	LTV-median	Average LTV
								%	%
Private residential property	411.686	158.465	93.426	17.509	4.346	-	685.432	33	70
Private residential rental	77.679	27.115	13.117	2.728	1.007	-	121.647	30	66
Industry and trades	19.214	2.781	322	126	167	-	22.611	21	46
Office and retail	85.347	19.991	2.947	795	483	-	109.564	24	52
Agriculture	70.074	17.944	6.486	1.468	619	-	96.591	25	57
Other	13.513	2.726	818	103	75	-	17.235	23	51
Total Q1 2016	677.513	229.023	117.117	22.729	6.697	69.138	1.122.218	29	65
Total Q1 2015	656.316	233.721	131.664	34.275	12.178	70.560	1.138.714	31	68

3,56% of total lending is outside statutory LTV limits

Debt outstanding relative to estimated property values, Q1 2016 continuous distribution, The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Private residential property	60	23	14	3	1
Private residential rental	64	22	11	2	1
Industry and trades	85	12	1	0	1
Office and retail	78	18	3	0	0
Agriculture	73	19	7	1	1
Other	78	16	5	0	0
Total Q1 2016	64	22	11	3	1

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%.

(*) 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%.

Statutory LTV limits by property category

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

Risk relating to mortgage lending

Debt outstanding distributed by the top part relative to estimated property values, Q1 2016

Fair value 2016 LTV (loan-to-value), The Nykredit Realkredit Group

DKK million	0-40	40-60	60-80	80-100	Over 100	Non-profit housing	Total	LTV-median	Average LTV
								%	%
Private residential property	69.560	158.702	278.982	143.022	35.166	-	685.432	33	70
Private residential rental	31.845	40.534	32.301	11.127	5.912	-	121.719	30	66
Industry and trades	11.790	8.854	1.106	374	487	-	22.611	21	46
Office and retail	48.543	46.245	10.743	2.625	2.170	-	110.326	24	52
Agriculture	44.504	30.688	14.772	4.607	2.020	-	96.591	25	57
Other	9.598	5.185	1.811	443	198	-	17.235	23	51
Total Q1 2016	215.839	290.210	339.715	162.197	45.953	69.138	1.123.052	29	65
Total Q1 2015	191.816	278.507	312.689	208.007	77.136	70.560	1.138.714	31	68

21,07% of total lending is outside statutory LTV limits

Debt outstanding distributed by the top part relative to estimated property values, Q1 2016

The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Private residential property	10	23	41	21	5
Private residential rental	26	33	27	9	5
Industry and trades	52	39	5	2	2
Office and retail	44	42	10	2	2
Agriculture	46	32	15	5	2
Other	56	30	11	3	1
Total Q1 2016	20	28	32	15	4

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.

(*) 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%.

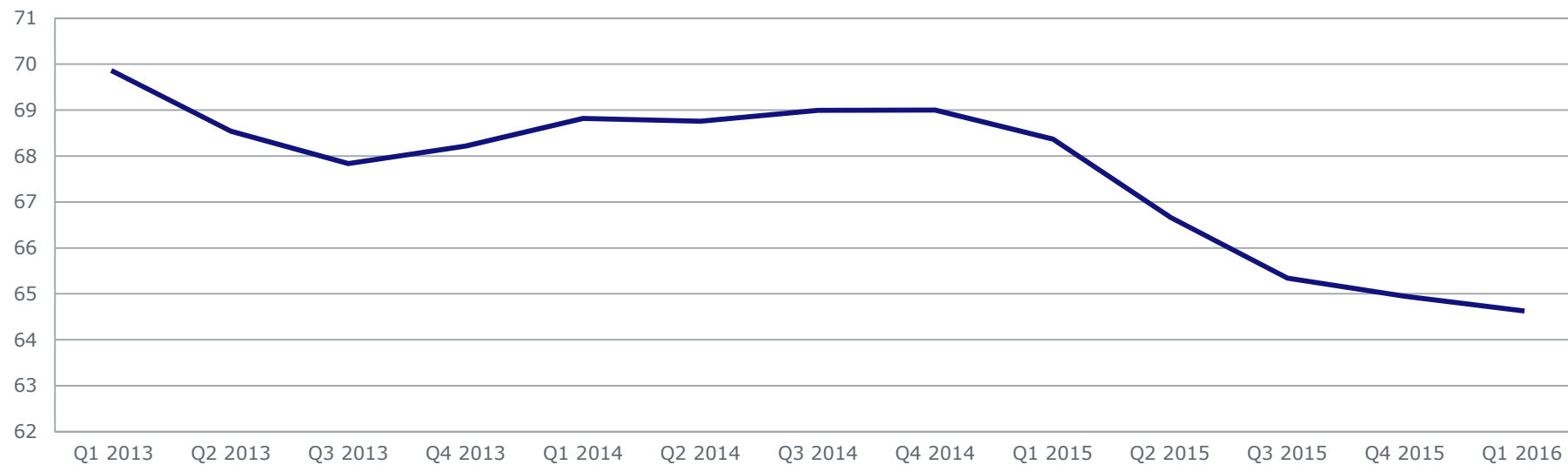
(**) The LTV limit may be extended up to 70% against supplementary collateral for the part in excess in 60%.

Statutory LTV limits by property category

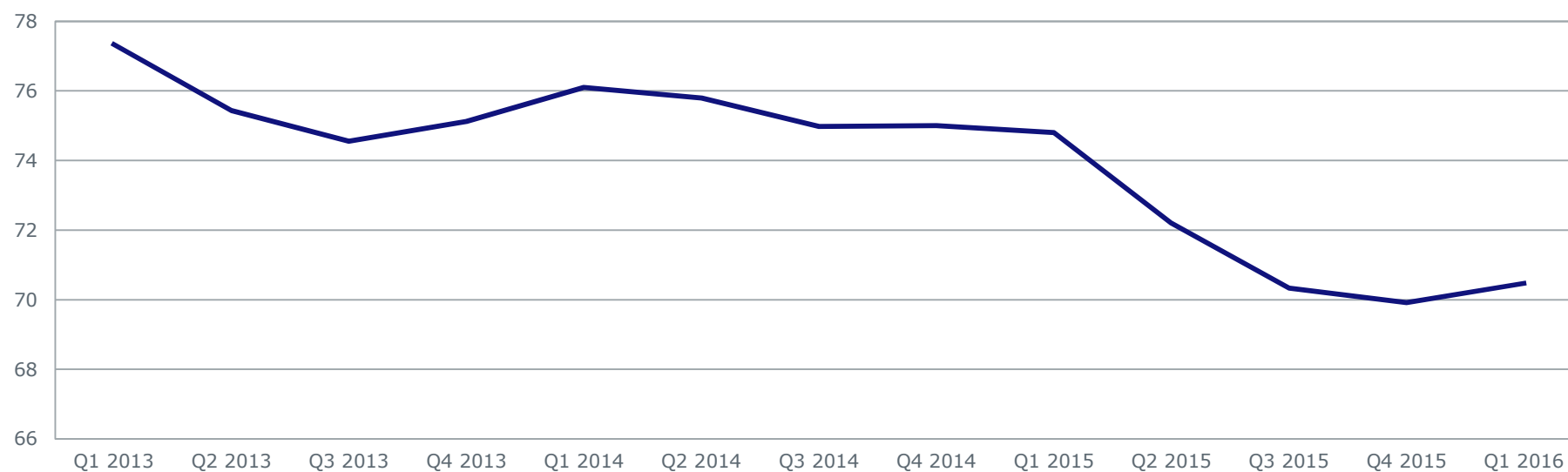
Private residential property for all-year habitation	80%*
Private cooperative housing	80%
Private residential rental properties	80%
Non-profit housing	80%
Youth housing	80%
Senior housing	80%
Properties used for social, cultural or educational purposes	60%
Holiday homes	60%
Agricultural and forestry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

LTV

Average LTV - all segments, %

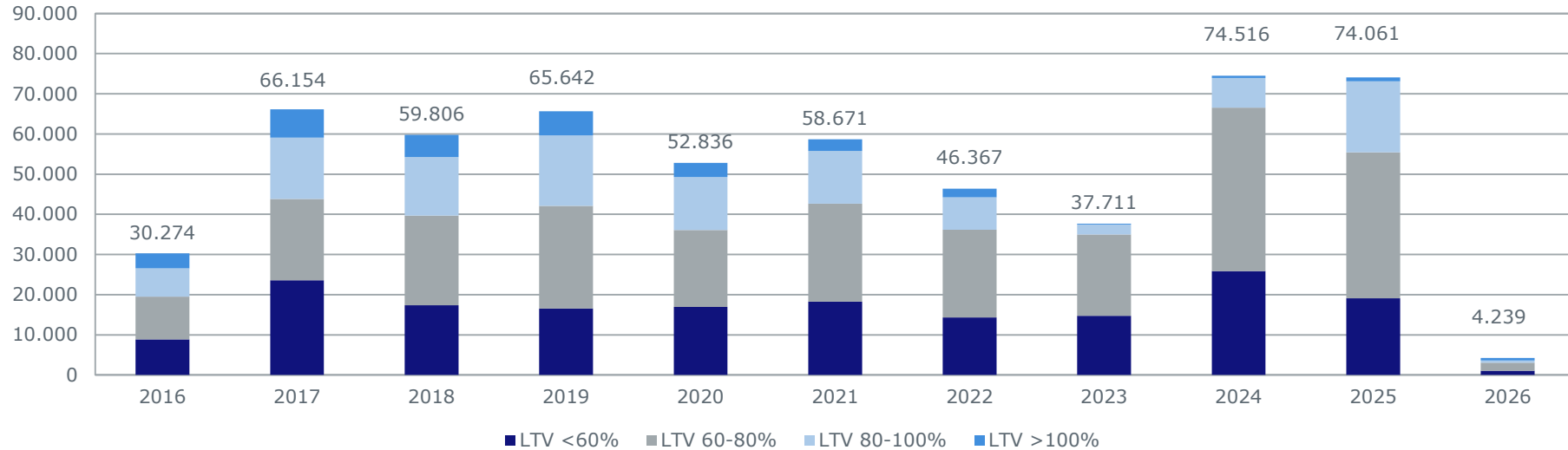


Average LTV - private residential properties, %

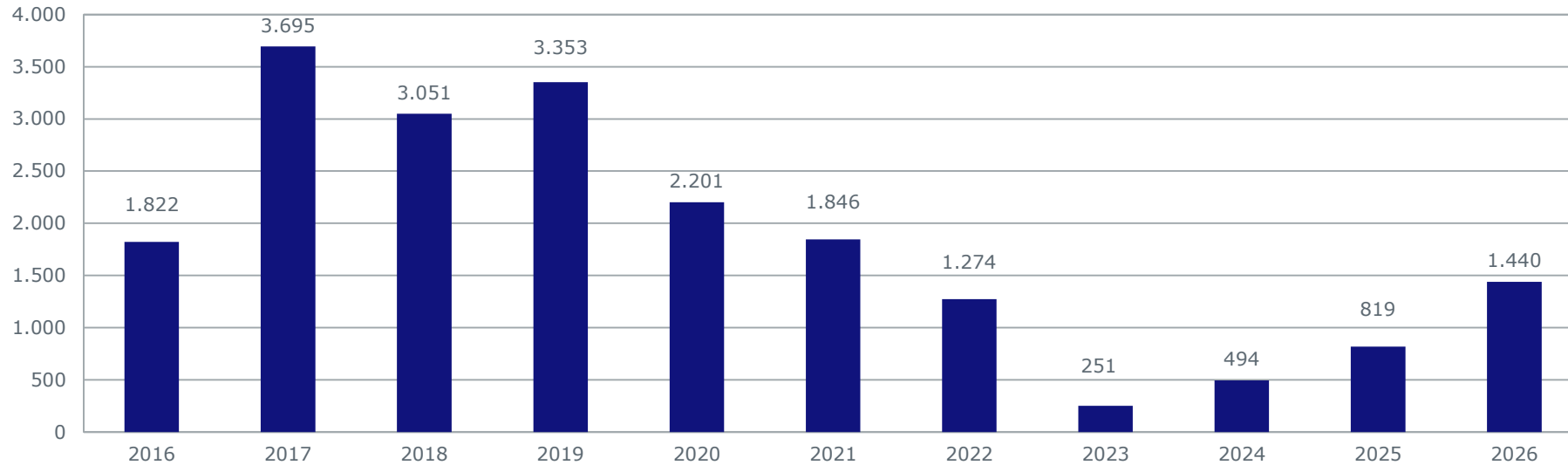


Expiry of interest-only period – mortgage lending

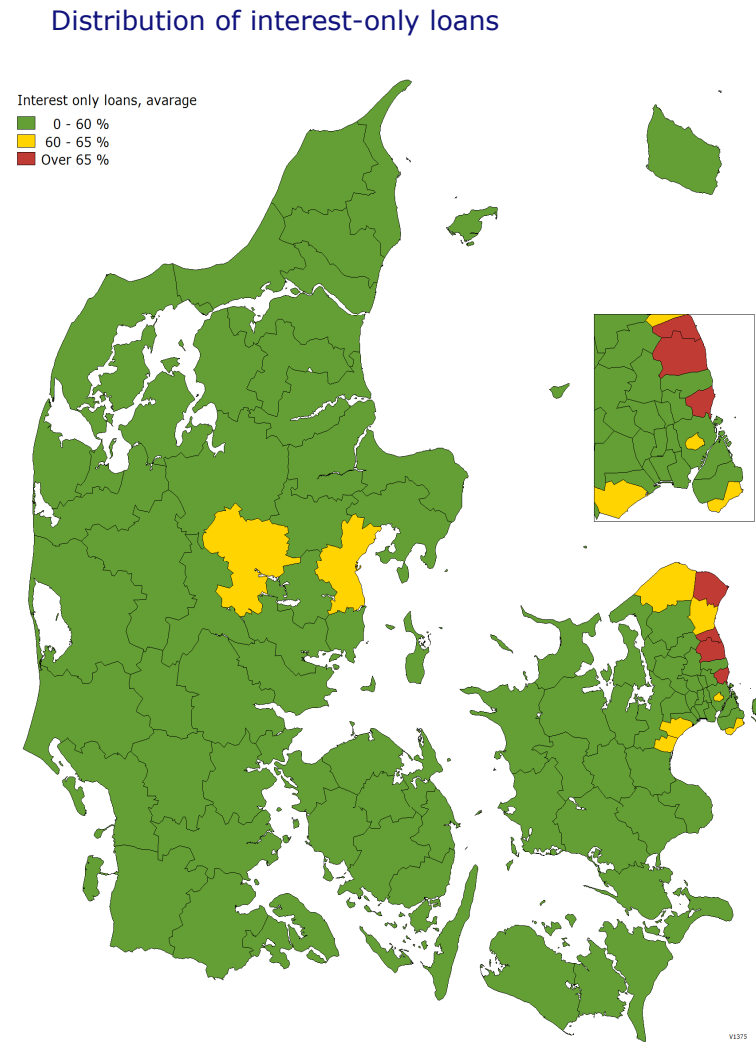
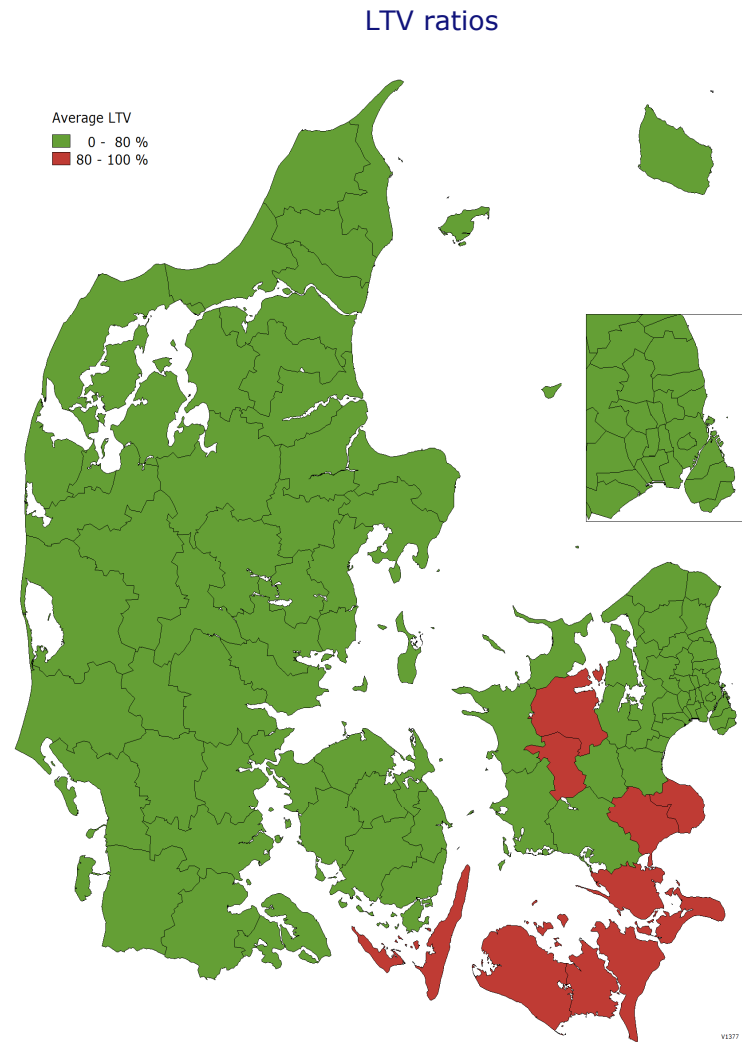
LTV distribution - size of loans by interest-only expiry, DKKm



Debt outstanding over 80% LTV with expiry of interest-only period, by year, DKKm (Only the amount of the loan that excess 80%)



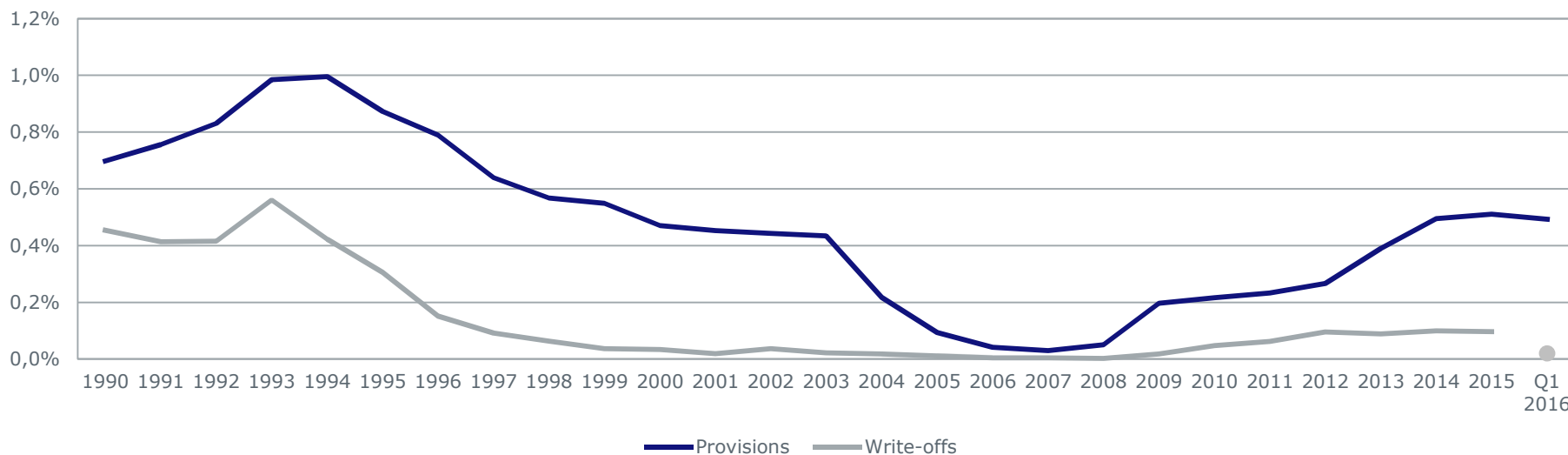
Interest-only loans prevalent where LTVs are low



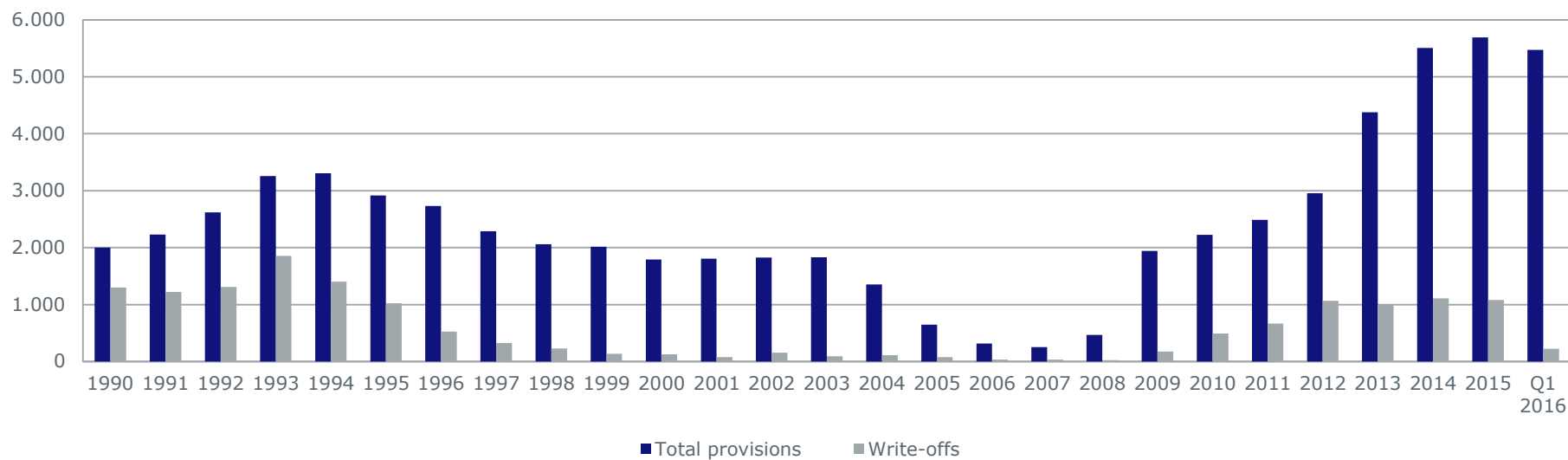
Note: Private residential lending in municipalities with above 80% LTVs and low marketability (above national average of 200 days on market) amounts to 6.2% of total private residential mortgage lending at end-Q2 2015.

Impairment provisions and write-offs – mortgage lending

Provisions and write-offs as % of loans and advances



Impairment provisions and write-offs, DKKm



Note: Write-offs for Q1 2016 has not been annualized

Impairment provisions and losses – mortgage lending

Total impairment provisions – by property type

DKK million	2013	2014	2015	Q1 2016
Private residential property	993	927	888	854
Private residential rental	465	495	586	557
Industry and trades	218	257	242	229
Office and retail	555	506	517	475
Agriculture	494	856	1.096	1.049
Non-profit housing	40	90	40	857
Cooperative housing	307	1.012	886	38
Other	131	126	96	99
Total Nykredit Realkredit	3.204	4.270	4.351	4.158
Totalkredit	1.174	1.236	1.343	1.313
Total impairment provisions from mortgage lending	4.378	5.506	5.694	5.471

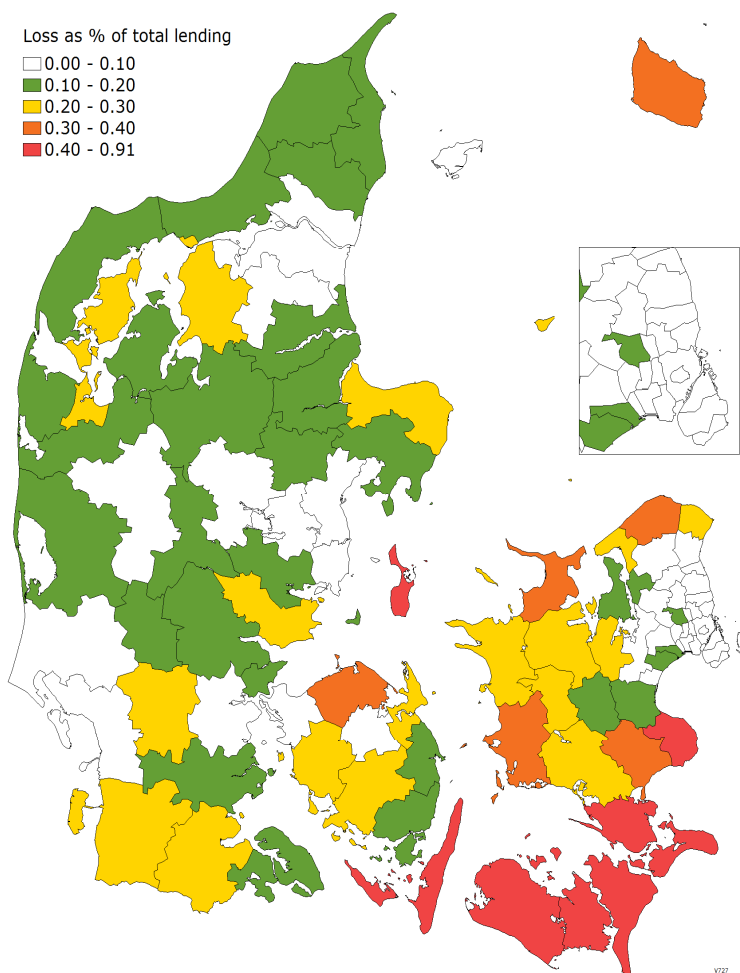
Note: Provisions include individual and collective provisions (including provisions from management judgement)

Impairment losses – by property type

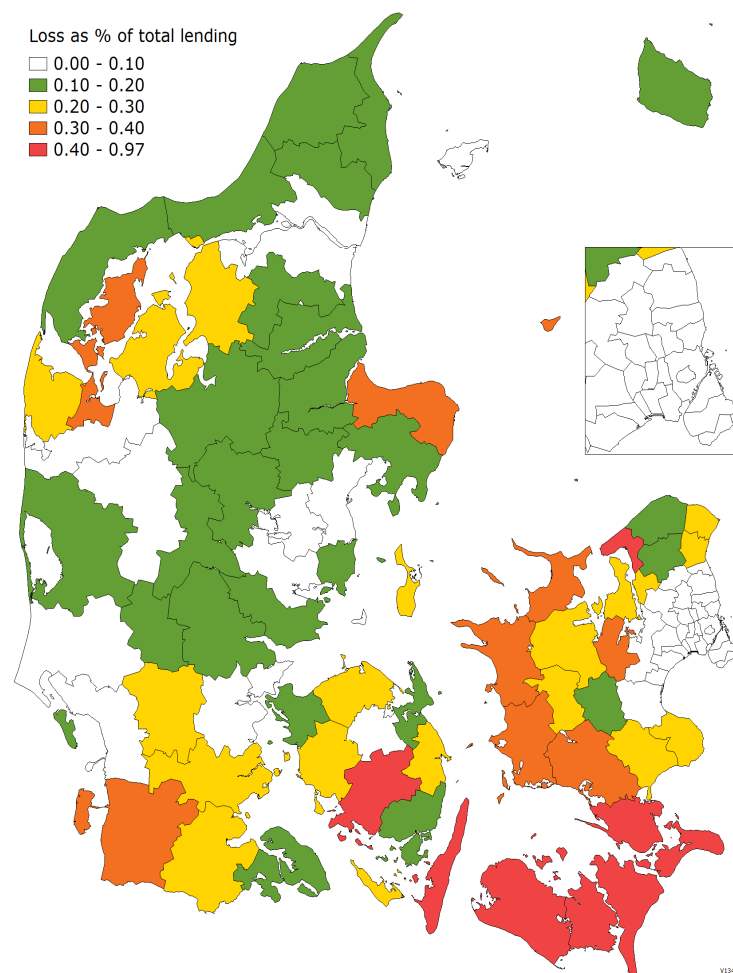
DKK million	2013	2014	2015	Q1 2016
Private residential property	629	145	108	1
Private residential rental	189	153	174	(18)
Industry and trades	114	98	43	(19)
Office and retail	399	91	106	(10)
Agriculture	150	441	342	6
Non-profit housing	22	51	(57)	(32)
Cooperative housing	248	706	(126)	(2)
Other	75	26	(2)	(3)
Total Nykredit Realkredit	1.837	1.723	586	(78)
Totalkredit	901	676	884	100
Total impairment losses from mortgage lending	2.727	2.388	1.470	21
Set-offs, Totalkredit	(333)	(270)	(349)	(57)
Total impairment losses from mortgage lending after set-offs	2.394	2.117	1.121	(36)

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

Loss as % of total mortgage lending last 4 quarters, Q1 2015



Loss as % of total mortgage lending last 4 quarters, Q1 2016



Write-offs – mortgage lending

Write-offs after set-offs – by property type

DKK million	2013	2014	2015	Q1 2016
Private residential property	281	262	152	34
Private residential rental	92	117	94	7
Industry and trades	41	67	136	(7)
Office and retail	89	142	136	36
Agriculture	110	69	67	54
Non-profit housing	2	1	(8)	-
Cooperative housing	5	1	-	(0)
Other	9	35	25	8
Total Nykredit Realkredit	628	694	602	131
Totalkredit	654	618	807	123
Total write-offs from mortgage lending	1.282	1.312	1.409	254
Set-offs, Totalkredit	(333)	(270)	(349)	(57)
Total write-offs from mortgage lending after set-offs	949	1.042	1.060	197

Note: Write-offs for the year regardless whether the loan has been recognised through profit or loss for the same year. Q1 2016 has not been annualized.

Note: Due to intercompany balancing, set-offs may differ from Nykredit Realkredit Q1 Interim Report 2016

Loans, advances and guarantees – bank lending

Loans and advances

DKK million	2012	2013	2014	2015	Q1 2016
Public sector	308	259	219	240	236
Agriculture, hunting and forestry	1.638	1.640	1.810	1.785	1.880
Other corporate	69.079	89.153	70.970	72.565	70.277
Total commercial	70.717	90.793	72.781	74.350	72.157
Personal customers	14.183	12.786	12.723	11.624	11.543
Total	85.208	103.838	85.722	86.214	83.936

Guarantees

DKK million	2012	2013	2014	2015	Q1 2016
Public sector	205	234	377	56	17
Agriculture, hunting and forestry	319	386	1.420	599	533
Other corporate	5.816	5.997	8.098	6.055	5.970
Total commercial	6.135	6.383	9.518	6.654	6.503
Personal customers	5.829	5.003	10.998	8.470	7.095
Total	12.169	11.620	20.893	15.180	13.615

Provisions – bank lending

Provisions for individual loan impairments and guarantees

DKK million	2012	2013	2014	2015	Q1 2016
Public sector	4	-	-	-	-
Agriculture, hunting and forestry	162	168	130	89	77
Other corporate	3.205	3.002	2.507	2.189	2.053
Total commercial	3.367	3.170	2.637	2.278	2.130
Personal customers	532	538	520	533	569
Total	3.903	3.708	3.157	2.811	2.699

Collective impairment provisions

DKK million	2012	2013	2014	2015	Q1 2016
Public sector	-	8	-	-	-
Agriculture, hunting and forestry	5	9	8	13	14
Other corporate	155	250	429	75	90
Total commercial	160	259	437	88	104
Personal customers	76	103	72	53	47
Total	236	370	509	141	151

Total impairment provisions

DKK million	2012	2013	2014	2015	Q1 2016
Public sector	4	8	-	-	-
Agriculture, hunting and forestry	167	177	138	102	91
Other corporate	3.360	3.252	2.936	2.264	2.143
Total commercial	3.527	3.429	3.074	2.366	2.234
Personal customers	608	641	592	586	616
Total	4.139	4.078	3.666	2.952	2.850

Note: Following the Danish FSA's inspection of the Group's credits area, Nykredit Bank has made a more conservative assessment of cooperative housing exposures. There is objective evidence of impairment (OEI) when a conservatively assessed rent is not sufficient to restore positive equity in a housing cooperative over a 30-year cash flow. In some cases, this results in negative value adjustment of interest rate swaps and impairment of loans and advances. Individual value adjustment of interest rate swaps generally follows the principles applying to impairment of loans and advances in respect of the same customer, and the swaps are value adjusted to zero if the unsecured part of the loan is written off.

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

Exposure to weak customers (rating 0)

DKK million	2013	2014	2015	Q1 2016
Total impairment provisions, rating 0 (DKK million)	373	484	42	56
Bond debt outstanding with OEI (DKK million)	12.734	15.985	14.732	13.840
Total bond debt outstanding (DKK million)	1.119.970	1.111.744	1.114.321	1.109.712
Bond debt outstanding with OEI/total bond debt	1,1%	1,4%	1,3%	1,2%

Non-performing loans (rating -1)

DKK million	2013	2014	2015	Q1 2016
Total impairment provisions, NPL (DKK million)	2.741	609	3.173	2.948
Bond debt outstanding, NPL (DKK million)	22.412	23.795	25.474	24.836
Total bond debt outstanding (DKK million)	1.119.970	1.111.744	1.114.321	1.109.712
Bond debt outstanding, NPL/total bond debt	2,0%	2,1%	2,3%	2,2%

Non-performing loans (NPL) – bank lending

Non performing bank loans (rating NPL)

DKK million	2013	2014	2015	Q1 2016
Individual impairment provisions	3.605	3.051	2.711	2.602
Non-performing loans of which loans and advances subject to individual impairment provisioning	5.697	4.708	4.092	3.849
Individual impairment provisions as % of loans and advances subject to individual impairment provisioning	63,3%	64,8%	66,3%	67,6%

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

Nykredit Bank

Market Value, Fixed-rate swaps and step-up interest rate instruments Q1, 2016

DKK billion / %	Negative market value	Total impairment provisions*	Total impairment provision as %
Housing cooperatives	7,9	4,4	56%
Agriculture	1,3	0,4	28%
Other	8,3	0,9	11%
Total	17,6	5,7	32%

* Individual value adjustments, management judgement and CVA

Business areas

Retail	Private and Commercial
Wholesale	Totalkredit Partners, Wealth Management and Wholesale clients
Group Items	Comprises income and costs not allocated to the business areas, including core income from securities and investment portfolio income.

In the overview of business areas below, costs in 2012 and 2013 are not directly comparable with costs in 2014 and 2015, as a number of expenses, including IT expenses and management-related costs, have been reallocated from Group Items to other business areas from and including 2014. The cost allocation from before 2014 has not been restated.

Core income – business areas

Core income – business areas

DKK million	Avg. quarter 2013	Avg. quarter 2014	Avg. quarter 2015	Q1 2016
Core income				
Retail	1.488	1.557	1.569	1.508
Totalkredit Partners	393	610	630	638
Wholesale clients	618	591	670	500
Wealth Management	-	-	-	155
Group items	(112)	(108)	(56)	(16)
Income from core business	2.387	2.650	2.813	2.785

Lending and deposits – business areas

DKK million	2013	2014	2015	Q1 2016
Mortgage lending (nominal)				
Retail	445.490	442.147	435.914	432.506
-of which Nykredit Realkredit	408.432	386.093	361.462	355.874
-of which Totalkredit	37.057	56.054	74.454	76.632
Totalkredit Partners	494.677	484.596	494.250	495.778
Wholesale clients	179.803	185.002	180.846	178.050
Wealth Management	-	-	3.312	3.378
Total mortgage lending	1.119.970	1.111.744	1.114.324	1.109.712
Bank lending				
Retail	26.740	28.006	27.054	27.590
Wholesale clients	20.048	22.456	19.685	20.825
Wealth Management	-	-	1.922	2.063
Group items	175	33	8	557
Total bank lending	46.963	50.494	46.747	48.972
Deposits				
Retail	36.798	40.637	40.799	41.360
Wholesale clients	27.235	23.287	13.700	10.475
Wealth Management	27.235	23.287	13.700	10.475
Group items	1.139	1.308	432	1.125
Total deposits	65.172	65.232	62.759	59.747

Business areas – Retail

Result – Retail

DKK million	Avg. quarter 2013	Avg. quarter 2014	Avg. quarter 2015	Q1 2016
Core income from				
Business operations	1.534	1.615	1.630	1.533
Senior debt	(30)	(32)	(31)	(25)
Income from core business	1.505	1.583	1.599	1.508
Total costs*	762	855	860	790
Profit from core business before impairment losses	698	263	801	718
Impairment losses on mortgage loans and advances	403	376	185	(24)
Impairment losses on bank loans and advances	101	20	14	(3)
Profit from core business	197	(133)	603	745

*In the overview of business areas below, costs in 2012 and 2013 are not directly comparable with costs in 2014 and 2015, as a number of expenses, including IT expenses and management-related costs, have been reallocated from Group Items to other business areas from and including 2014. The cost allocation from before 2014 has not been restated.

Activity – Retail

DKK million	2013	2014	2015	Q1 2016
Mortgage lending				
Gross new lending	40.189	67.574	78.379	12.036
Portfolio at nominal value, end of period	445.490	442.147	435.914	432.506
Impairment losses for the period as % of loans and advances	0,36%	0,34%	0,17%	-0,01%
Total impairment provisions, end of period				
Individual impairment provisions	1.787	2.413	2.556	2.472
Collective impairment provisions	1.044	1.281	1.369	1.313
Total impairment provisions as % of loans and advances	0,64%	0,84%	0,90%	0,88%
Banking				
Loans and advances, end of period	26.740	28.006	27.054	27.590
Deposits, end of period	36.798	40.637	40.799	41.360
Impairment losses for the period as % of loans and advances*	1,42%	0,27%	0,25%	0,21%
Total impairment provisions, end of period				
Individual impairment provisions	2.126	1.864	1.696	1.631
Collective impairment provisions	196	114	88	85
Total impairment provisions as % of loans and advances	7,99%	6,60%	6,19%	5,86%
Guarantees, end of period	3.247	4.357	4.342	10.624
Provisions for guarantees, end of period	48	51	44	48

*Including impairment losses from guarantees

Business areas – Totalkredit partners

Result – Totalkredit partners

DKK million	Avg. quarter 2013	Avg. quarter 2014	Avg. quarter 2015	Q1 2016
Core income from				
Business operations	469	662	672	672
Senior debt	(76)	(53)	(42)	(34)
Income from core business	393	610	630	638
Total costs*	233	106	604	138
Profit from core business before impairment losses	161	504	27	501
Impairment losses on mortgage lending	138	90	103	25
Profit from core business	22	414	(76)	477

*In the overview of business areas below, costs in 2012 and 2013 are not directly comparable with costs in 2014 and 2015, as a number of expenses, including IT expenses and management-related costs, have been reallocated from Group Items to other business areas from and including 2014. The cost allocation from before 2014 has not been restated.

Activity – Totalkredit partners

DKK million	2013	2014	2015	Q1 2016
Mortgage lending				
Gross new lending	56.238	89.411	137.478	17.226
Portfolio at nominal value, end of period	494.677	484.596	494.250	495.778
Impairment losses for the period as % of loans and advances	0,11%	0,07%	0,08%	0,00%
Total impairment provisions, end of period				
Individual impairment provisions	458	494	502	470
Collective impairment provisions	681	657	729	715
Total impairment provisions as % of loans and advances	0,23%	0,24%	0,25%	0,24%

Business areas – Wholesale clients

Result – Wholesale clients

DKK million	Avg. quarter	Avg. quarter	Avg. quarter	Q1 2016
Core income from				
Business operations	623	595	673	502
Senior debt	(5)	(4)	(3)	(2)
Income from core business	469	215	710	500
Total costs*	227	206	245	171
Profit from core business before impairment losses	241	(51)	465	328
Impairment losses on mortgage lending	62	63	(27)	(35)
Impairment losses on bank loans and advances	(7)	34	(44)	(39)
Profit from core business	186	(148)	536	401

*In the overview of business areas below, costs in 2012 and 2013 are not directly comparable with costs in 2014 and 2015, as a number of expenses, including IT expenses and management-related costs, have been reallocated from Group Items to other business areas from and including 2014. The cost allocation from before 2014 has not been restated. Wealth Management is included in numbers from 2013-2015.

Activity – Wholesale clients

DKK million	2013	2014	2015	Q1 2016
Mortgage lending				
Gross new lending	26.739	35.430	37.814	5.333
Portfolio at nominal value, end of period	179.803	185.002	184.158	181.429
Impairment losses for the period as % of loans and advances	0,14%	0,14%	(0,06%)	(0,02%)
Total impairment provisions, end of period				
Individual impairment provisions	266	507	454	418
Collective impairment provisions	142	154	85	83
Total impairment provisions as % of loans and advances	0,23%	0,36%	0,29%	0,28%
Banking				
Loans and advances, end of period	20.048	22.456	19.685	20.825
Deposits, end of period	27.235	23.287	21.368	17.262
Impairment losses for the period as % of loans and advances*	(0,13%)	0,57%	(0,85%)	(0,06%)
Total impairment provisions, end of period				
Individual impairment provisions	1.419	1.131	962	918
Collective impairment provisions	174	395	53	66
Total impairment provisions as % of loans and advances	7,36%	6,36%	4,90%	4,51%
Guarantees, end of period	1.804	1.913	1.892	2.286
Provisions for guarantees, end of period	55	55	55	51
Assets under management	116.269	133.484	143.812	143.812
Assets under administration				
Nykredit Portefølje Administration A/S	598.434	669.112	700.372	696.541
of which the investment funds of the Nykredit Group	51.808	60.165	66.394	66.647

*Including impairment losses from guarantees

Business areas – Wealth Management

Result – Wealth Management

DKK million	2013	2014	2015	Q1 2016
Core income from				
Business operations	-	-	-	155
Senior debt	-	-	-	(0)
Income from core business	-	-	-	155
Total costs*	-	-	-	98
Profit from core business before impairment losses	-	-	-	57
Impairment losses on mortgage lending	-	-	-	(1)
Impairment losses on bank loans and advances	-	-	-	26
Profit from core business	-	-	-	32

*Wealth Management is included in Wholesale Clients from 2013-2015

Business areas – Group items

Result – Group items

DKK million	Avg. quarter 2013	Avg. quarter 2014	Avg. quarter 2015	Q1 2016
Core income from				
Business operations	(16)	5	11	30
Senior and subordinated debt	(126)	(145)	(77)	(57)
Securities	29	32	10	11
Income from core business	(112)	(108)	(56)	(16)
Total costs*	290	262	49	3
Profit from core business before impairment losses	(402)	(370)	(105)	(19)
Impairment losses on mortgage lending	3	3	-	-
Impairment losses on bank loans and advances	(6)	1	-	-
Profit from core business	(398)	(374)	(105)	(19)

Activity – Group items

DKK million	2013	2014	2015	Q1 2016
Banking				
Loans and advances, end of period	175	33	8	557
Deposits, end of period	1.139	1.308	432	1.125
Total impairment provisions, end of period				
Individual impairment provisions	60	55	53	53
Collective impairment provisions	-	-	-	-
Total impairment provisions as % of loans and advances	20,16%	62,65%	86,49%	8,69%
Guarantees, end of period	1.260	1.276	708	706

The Danish economy

Nykredit's regional housing price forecasts

%	2013	2014	2015	2016F	2017F
Houses – Denmark	0,8	1,6	6,6	2,0	2,3
Copenhagen	6,3	5,9	10,4	3,3	4,0
North Sealand	0,9	3,1	7,3	2,5	2,8
East Sealand	2,7	3,0	8,4	3,1	3,5
West and South Sealand	(2,7)	(2,1)	7,6	1,4	1,7
Bornholm	(4,4)	1,3	3,0	1,4	0,6
Funen	(0,5)	(0,5)	4,7	0,8	1,3
South Jutland	(2,2)	0,0	4,4	2,0	1,9
East Jutland	(0,1)	(0,4)	6,7	2,2	2,1
West Jutland	(0,9)	(0,5)	0,9	0,7	1,4
North Jutland	0,0	1,0	4,3	1,5	2,0
Owner-occupied flats – Denmark	7,8	5,2	10,5	6,2	4,6
Copenhagen	13,0	7,5	12,9	6,1	5,6
Municipality of Aarhus	3,9	4,9	10,4	5,0	4,7
Holiday homes - Denmark	(0,3)	(3,1)	1,9	1,7	1,3

Note: F indicates forecast

Price growth is stated as annual averages. Selected regions.

The Danish economy

Danish economy - key figures

%	2011	2012	2013	2014	2015
Real GDP growth (2010 chained values)	1,2%	(0,1%)	(0,2%)	1,3%	1,2%
Inflation	2,8%	2,4%	0,8%	0,6%	0,5%
Public deficit as % of nominal GDP	(2,1%)	(3,5%)	(1,1%)	1,5%	(2,1%)
Balance of payment as % of nominal GDP	5,7%	5,7%	7,1%	6,3%	7,0%
Net unemployment	4,1%	4,5%	4,4%	4,0%	3,8%
Government net foreign assets (DKKm)	512.523	685.518	719.851	913.067	833.678

Note: Actual 2015 data is not yet available

Source: www.statistikbanken.dk

The above key figures present a general overview of the Danish economy. For household financial indicators, please refer to the economic statement and budget report, December 2015 (Økonomisk Redegørelse, december 2015), pp 69-92, 105-134 (in Danish), of the Danish Ministry of Finance (<http://www.fm.dk/publikationer/2015/oer-dec-15>).

Definitions

Ratio	Definitions
Return on average equity, %	Profit (loss) for the year/period divided by average equity.
Tier 1 capital ratio, %	Tier 1 capital after deductions divided by risk exposure amount (REA).
Common Equity Tier 1 (CET1) capital ratio, %	Capital excl tier 1 after deductions divided by risk exposure amount (REA).
Leverage ratio, %	Tier 1 capital after deductions divided by leverage ratio exposures.
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 assets, %	Result for the period divided by average total assets.
Return on REA, %	Profit (loss) for the year/period after tax divided by average risk exposure amount.
Average number of full-time employees	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.
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.
Write-offs	Realized loan losses.
Average impairment losses	Average impairment losses divided by average amount of mortgage lending at nominal value.
Average write-offs	Average write-offs after set-offs divided by average amount of mortgage lending at nominal value.
Arrears 75 days past due	75-day mortgage loan arrears as % of total mortgage payments. Due date at the beginning of the period.
Total impairment provisions as % of loans and advances	Total provisions for loan impairment and guarantees at year-end/end of period 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/end of period.
Return on equity before tax	Annualized profit (loss) before tax including interest on AT1 divided by average equity for the period
Asset encumbrance	Encumbered assets, collateral received and self-issued debt Instruments divided by total assets and collateral.
Average quarter	FY divided by 4

Nykredit Realkredit A/S
 Kalvebod Brygge 1-3
 DK-1780 Copenhagen V
 Denmark

Website: nykredit.com
 Tel: +45 44 55 10 00
 CVR no: 12 71 92 80

Financial year: 1 January - 31 December
 Municipality of registered office: Copenhagen