

Fact Book Q2 2016

The Nykredit Realkredit Group

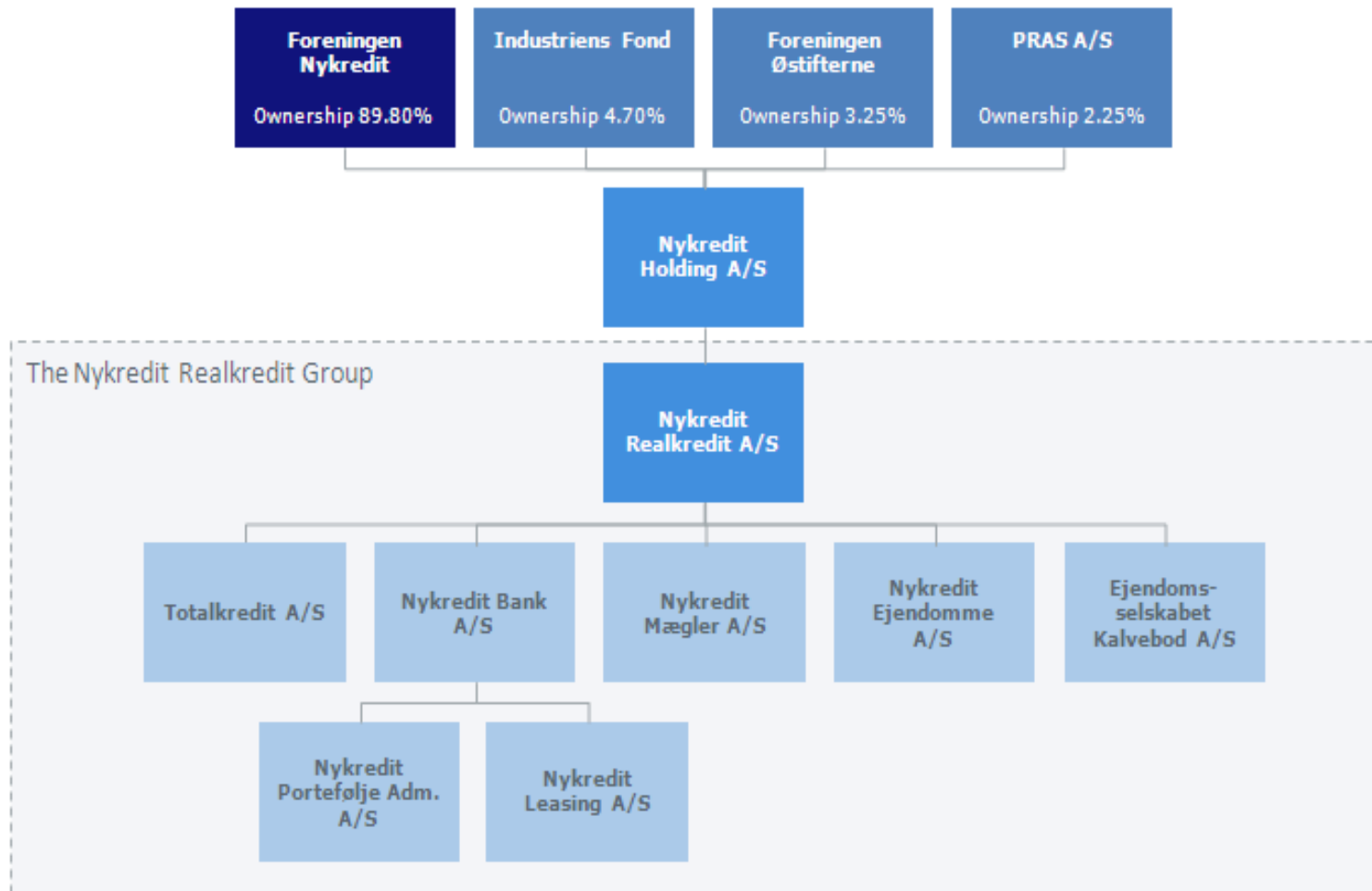
Unaudited

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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.

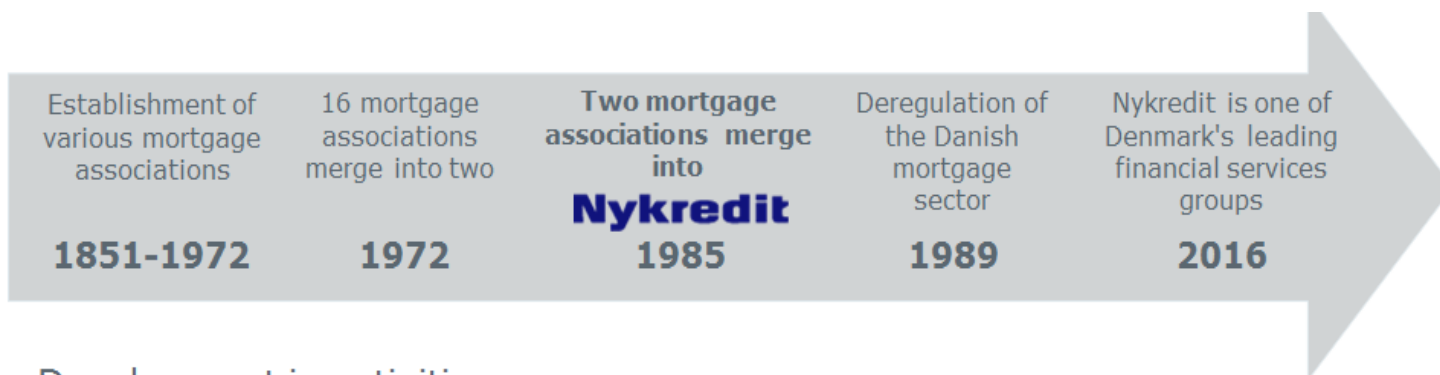
Members

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

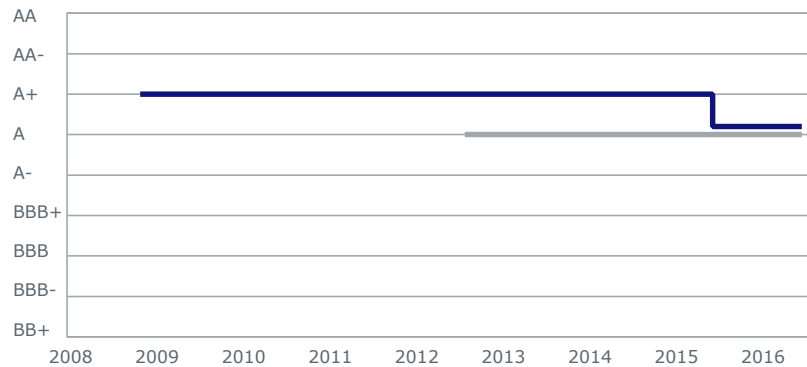
2008 Acquisition of Forstædernes Bank

2010 Sale of Nykredit Forsikring

Rating

Nykredit senior unsecured ratings

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



Standard & Poor's

Fitch

— Nykredit Realkredit+Banking

— Nykredit Realkredit+Banking

Nykredit Realkredit A/S

	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 debt JCB)	AA-	
Capital Centre E (senior secured debt, JCB)	AA-	
Capital Centre H (senior secured debt, JCB)	AA-	
Unsecured debt		
Short-term unsecured rating	A-1	F1
Long-term unsecured rating	A	A
Senior Resolution Notes	BBB+	A
Capital instruments		
Additional Tier 1	BB+	BB+
Contingent Capital Notes (Tier 2)	BBB	BBB
Tier 2	BBB	A-

Totalkredit A/S

	S&P	Fitch
Capital Centre C (covered bonds, RO)	AAA	

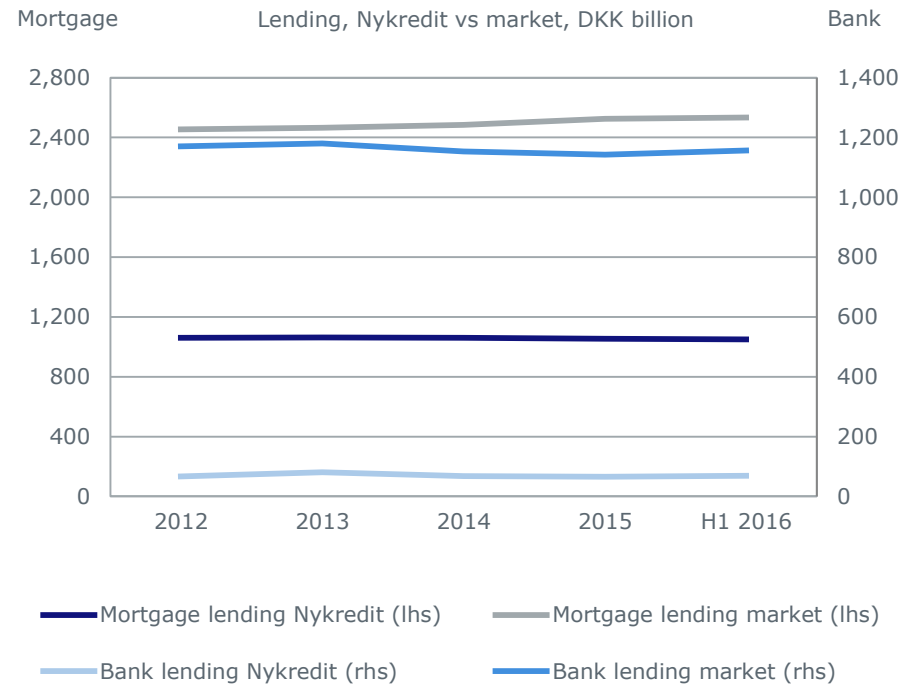
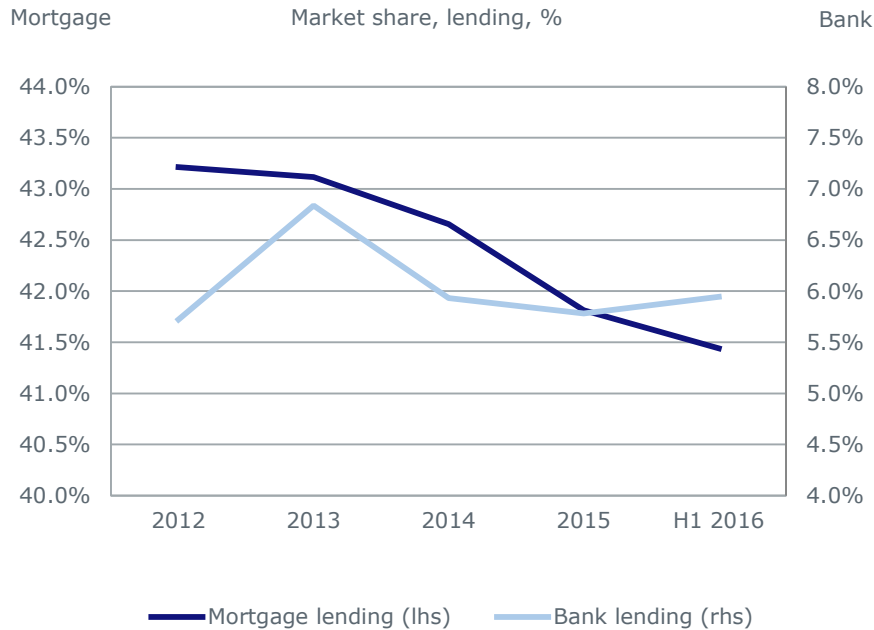
Nykredit Bank A/S

	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

Market share – lending

Market share

DKK billion	2012	2013	2014	2015	H1 2016
Bank lending	67	81	68	66	69
Mortgage lending	1,060	1,063	1,060	1,055	1,050
Total	1,127	1,144	1,128	1,121	1,119
Market share					
Bank lending	5.7%	6.8%	5.9%	5.8%	5.9%
Mortgage lending	43.2%	43.1%	42.7%	41.8%	41.4%
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. half-year 2012	Avg. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income from					
Business operations	5,114	5,220	5,755	5,973	5,825
Senior and subordinated debt	(451)	(472)	(468)	(306)	(232)
Securities	106	59	65	19	21
Income from core business	4,770	4,807	5,352	5,686	5,614
Operating costs, depreciation and amortisation	(2,798)	(3,024)	(2,552)	(2,503)	2,366
Mortgage business contribution to Resolution Fund	-	-	-	(31)	69
Profit from core business before impairment losses	1,972	1,783	2,800	3,153	3,179
Impairment losses on mortgage loans and advances	796	1,207	1,066	521	211
Impairment losses on bank loans and advances	279	175	110	(61)	(86)
Profit from core business	898	401	1,625	2,693	3,054
Value adjustments of interest rate swaps	(548)	(388)	(1,681)	205	(1,312)
Impairment of goodwill and customer relationships	-	-	(426)	(983)	-
Investment portfolio income	1,222	944	390	427	533
Profit (loss) before tax	1,572	957	(93)	2,343	2,275
Tax	288	120	45	747	472
Profit (loss) for the period	1,285	837	(138)	1,596	1,803

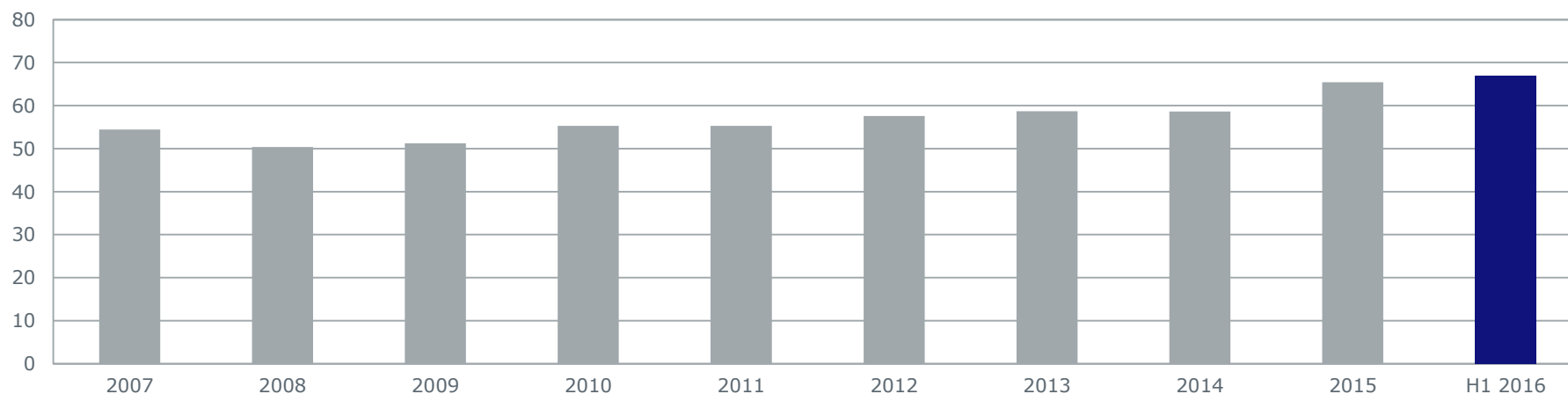
Note: Largely all the Group's investment activities are marked to market, for which reason group earnings exhibit a certain degree of volatility.

Balance sheet summary – the Nykredit Realkredit Group

The Nykredit Realkredit Group

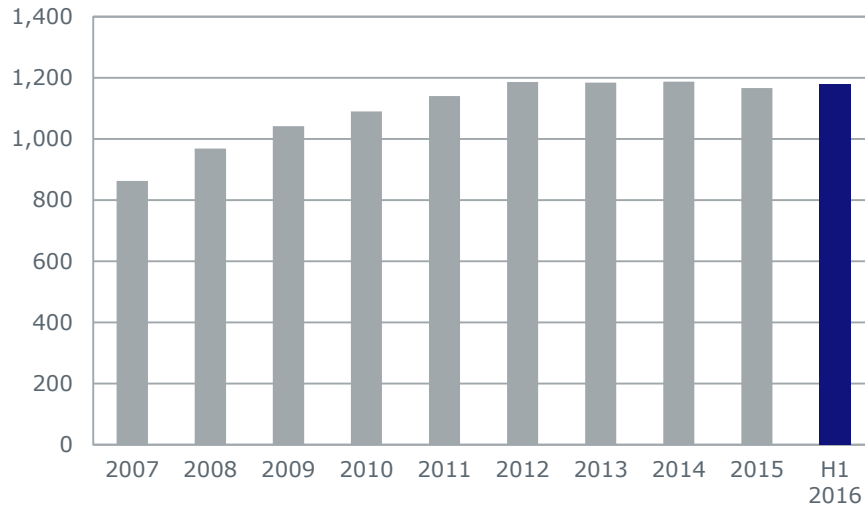
DKK million	2012	2013	2014	2015	H1 2016
Assets					
Receivables from credit institutions and central banks	60,174	35,758	42,288	23,253	43,706
Mortgage loans at fair value	1,136,445	1,136,644	1,137,099	1,119,101	1,127,725
Bank loans and advances - excl reverse transactions	49,728	46,963	50,495	46,747	49,554
Bonds and equities	82,413	92,961	131,383	110,294	106,387
Remaining assets	104,645	105,087	96,036	84,394	79,922
Total assets	1,433,405	1,417,414	1,457,301	1,383,789	1,407,294
Liabilities and equity					
Payables to credit institutions and central banks	67,539	44,393	44,863	30,226	28,131
Deposits	54,509	65,172	65,232	62,599	69,547
Bonds in issue at fair value	1,103,818	1,130,020	1,167,163	1,137,314	1,142,561
Subordinated debt	11,281	10,964	11,394	11,006	11,260
Remaining liabilities	138,701	108,148	109,998	77,184	88,778
Equity	57,556	58,716	58,650	65,460	67,017
Total liabilities and equity	1,433,405	1,417,414	1,457,301	1,383,789	1,407,294

Equity, DKKbn

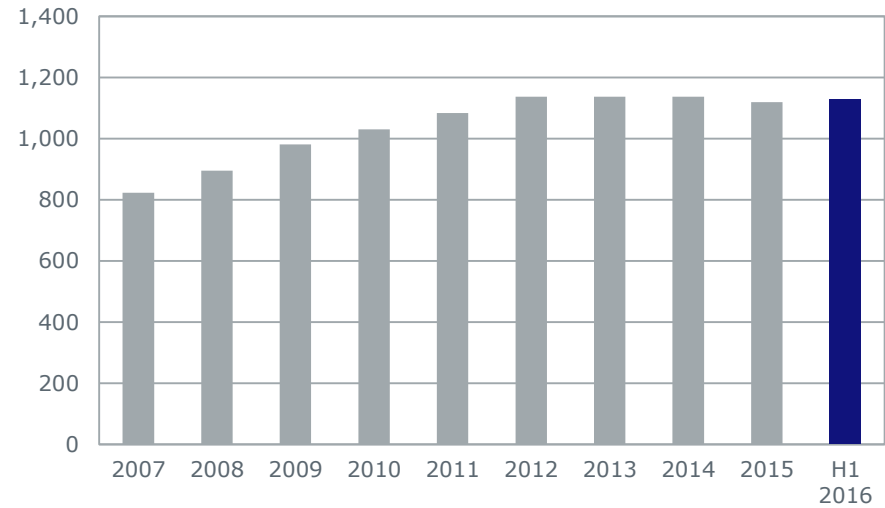


Balance sheet summary – the Nykredit Realkredit Group

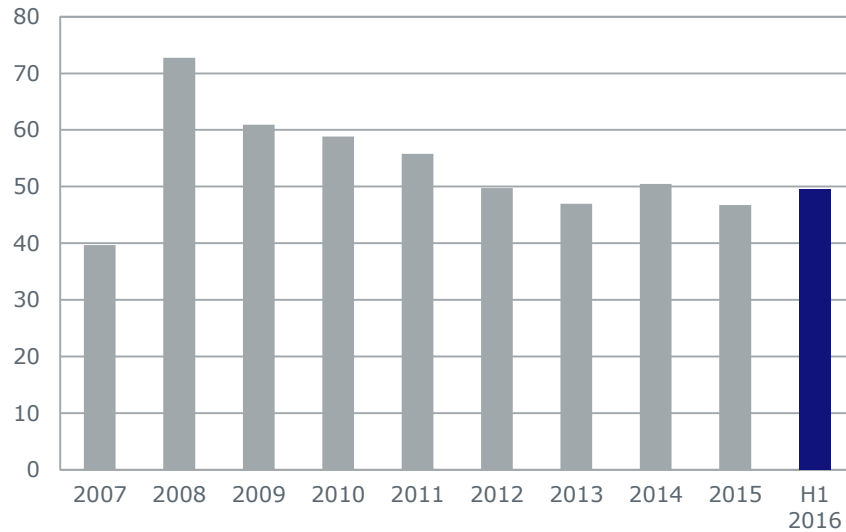
Total lending, DKKbn



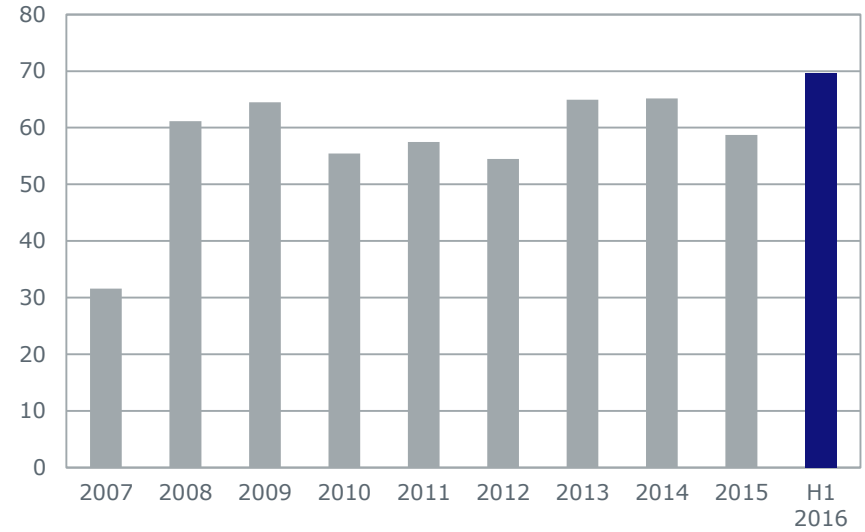
Total mortgage lending, DKKbn



Total bank lending, DKKbn



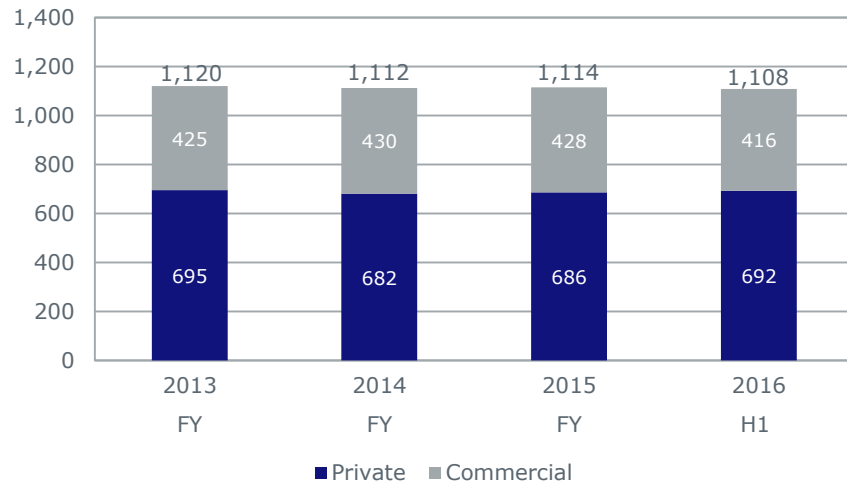
Total bank deposits, DKKbn



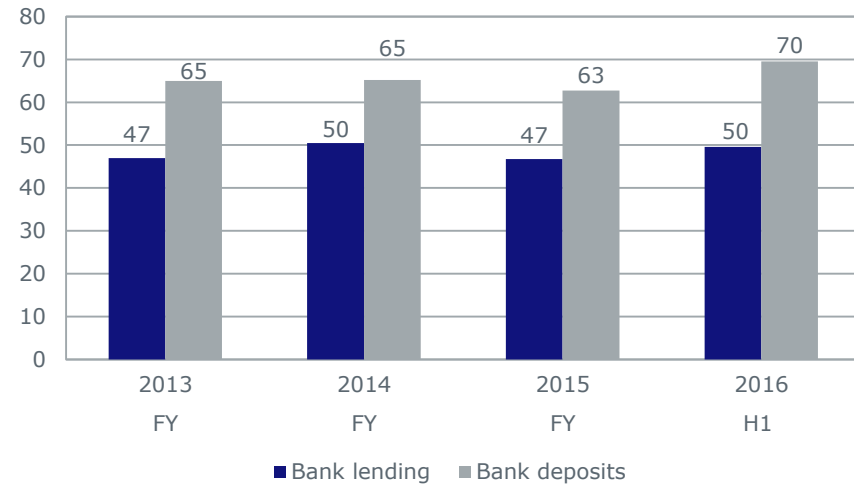
Note: Mortgage lending based on fair value. Bank lending excludes reverse transactions.

Lending and deposits

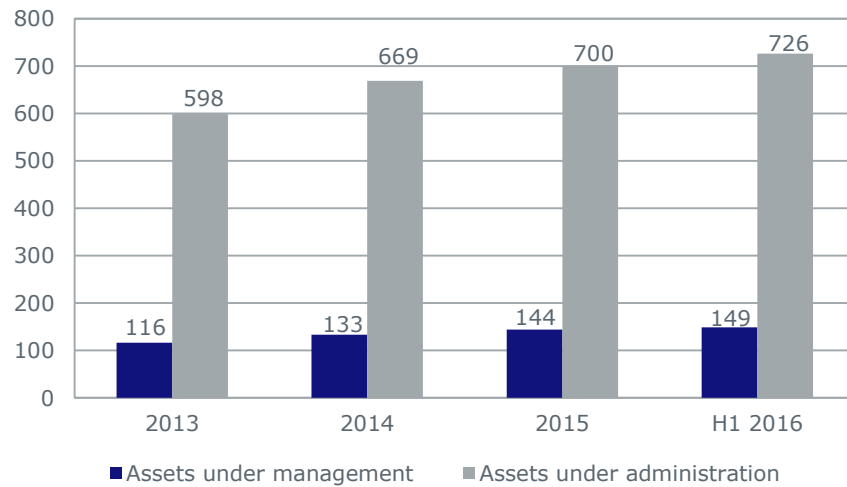
Nominal mortgage lending, DKKbn



Bank lending and bank deposits, DKKbn

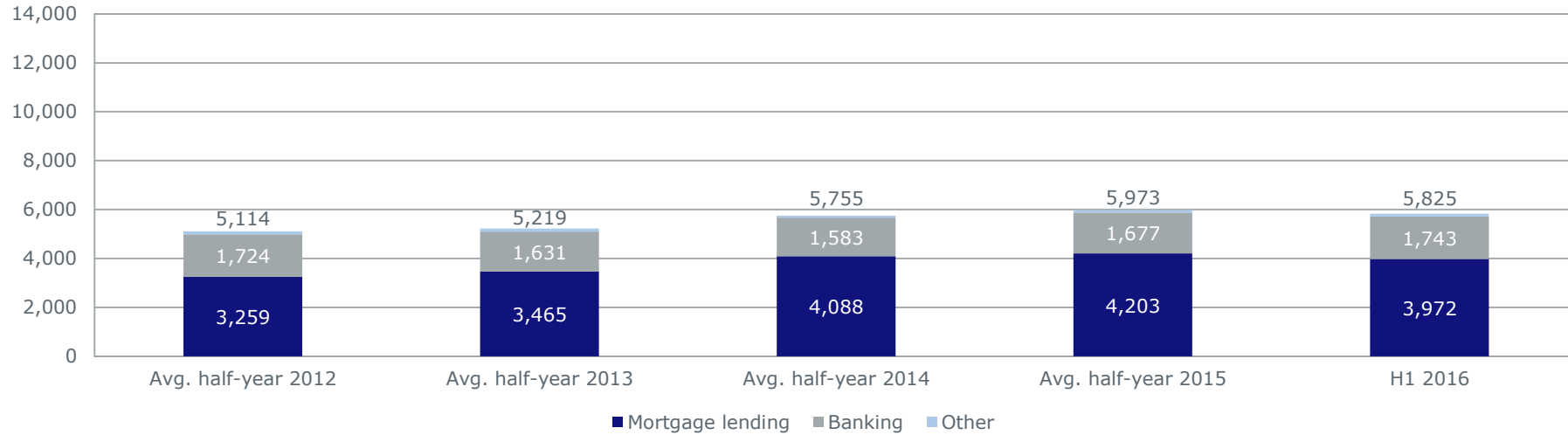


Assets under administration, DKKbn

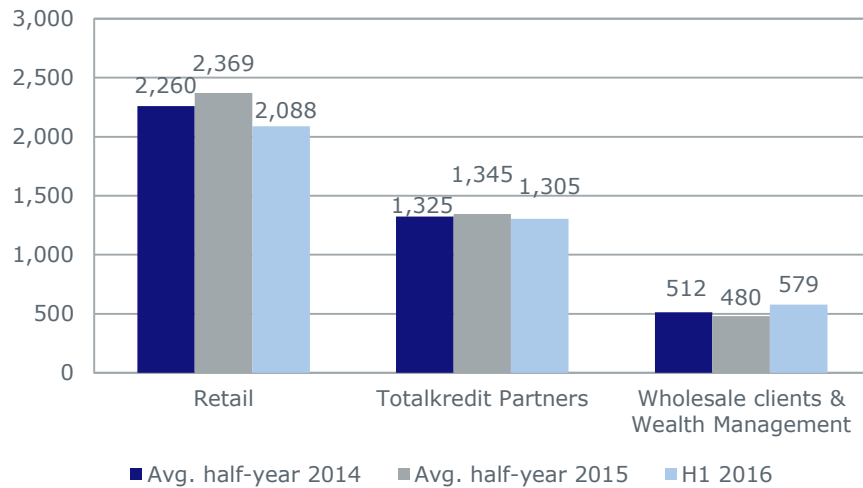


Breakdown of core income – the Nykredit Realkredit Group

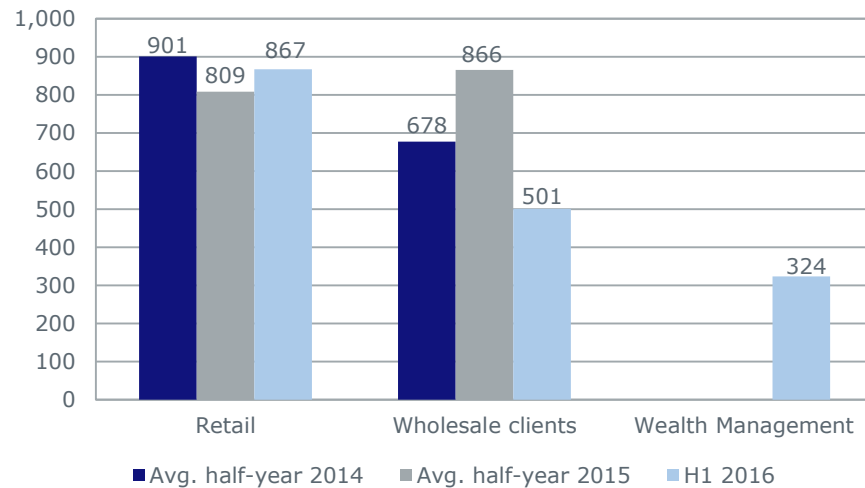
Core income from business operations, actual H1 2016 and average half-years previous years, DKKm.



Mortgage - Core income from business operations by business area excl Group items, actual H1 2016 and average half-years previous years, DKKm.



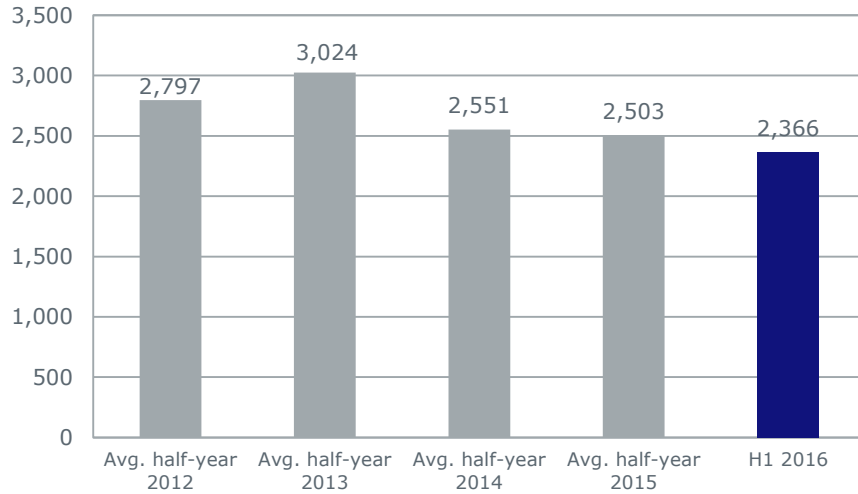
Banking - Core income from business operations by business area excl Group items, actual H1 2016 and average half-years previous years, DKKm.



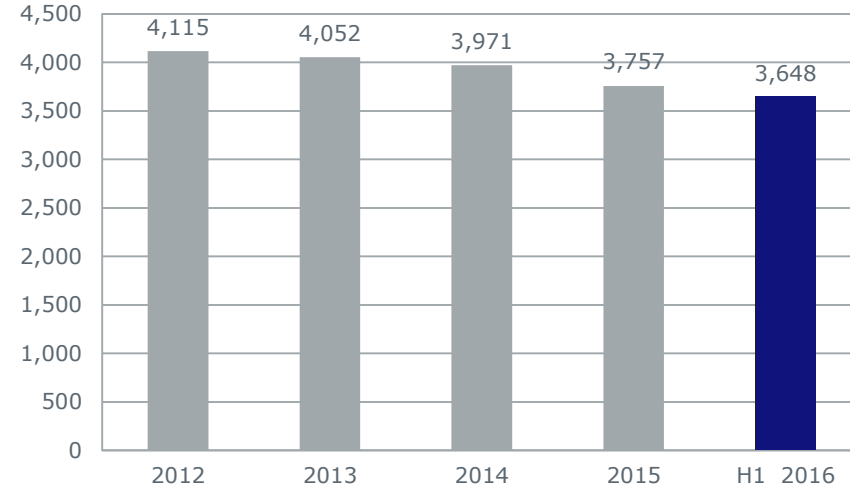
Note: Wealth Management is included in Wholesale Clients in earlier periods.

Breakdown of costs

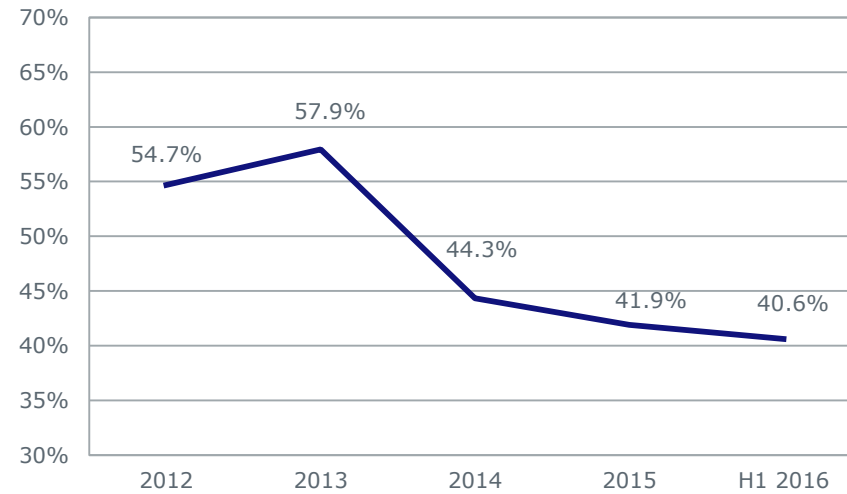
Operating costs, the Nykredit Realkredit Group, DKKm



Average number of full-time employees



Cost:income ratio, %



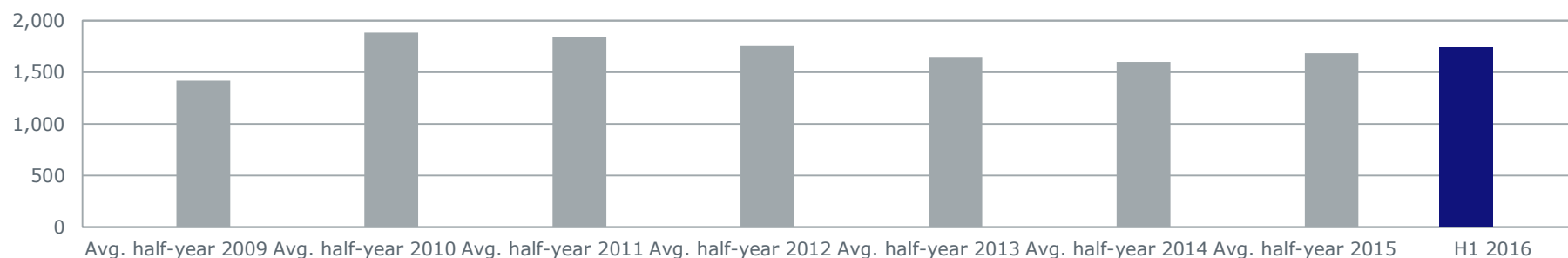
Note: Operating costs, depreciation and amortisation, excl mortgage business contribution to Resolution Fund and impairment of goodwill as % of core earnings from business operations

Results – the Nykredit Bank Group

The Nykredit Bank Group

DKK million	Avg. half-year 2012	Avg. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income from					
Business operations	1,737	1,630	1,587	1,680	1,747
Securities	31	17	15	4	4
Income from core business	1,768	1,647	1,602	1,684	1,751
Operating costs, depreciation and amortisation	924	1,061	1,018	958	974
Value adjustment of associate	-	39	-	-	-
Profit from core business before impairment losses	844	625	585	726	777
Impairment losses on bank lending	279	175	110	(61)	(86)
Profit from core business	566	450	475	787	863
Value adjustments of interest rate swaps	(548)	(388)	(1,681)	205	(1,312)
Impairment of goodwill	-	-	-	5	-
Investment portfolio income	15	(20)	22	18	25
Profit (loss) before tax	32	43	(1,185)	1,015	(424)
Tax	(1)	4	(300)	234	(107)
Profit (loss) for the period	34	39	(885)	781	(317)

Income from core business H1 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	H1 2016
Assets					
banks	44,812	23,173	33,885	13,425	37,410
Loans, advances and other receivables at fair value	35,401	56,814	35,228	39,467	30,350
Loans, advances and other receivables at amortised cost	49,807	47,024	50,494	46,747	49,554
Bonds at fair value and equities	58,399	64,219	65,314	40,412	38,144
Remaining assets	52,099	32,904	44,962	34,288	39,558
Total assets	240,518	224,134	229,883	174,339	195,016
Liabilities and equity					
Payables to credit institutions and central banks	55,355	57,732	63,876	34,957	40,205
Deposits and other payables	54,701	65,405	65,350	62,758	69,643
Bonds in issue at amortised cost	28,498	26,689	25,881	20,150	14,990
Other non-derivative financial liabilities at fair value	33,741	29,248	19,943	11,776	21,075
Remaining payables	53,468	30,214	41,913	28,267	33,081
Provisions	235	247	246	214	222
Subordinated debt	250	250	100	100	-
Equity	14,270	14,347	12,575	16,117	15,800
Total liabilities and equity	240,518	224,134	229,883	174,339	195,016

Nykredit Bank A/S

Supervisory diamond (calculated at parent level)

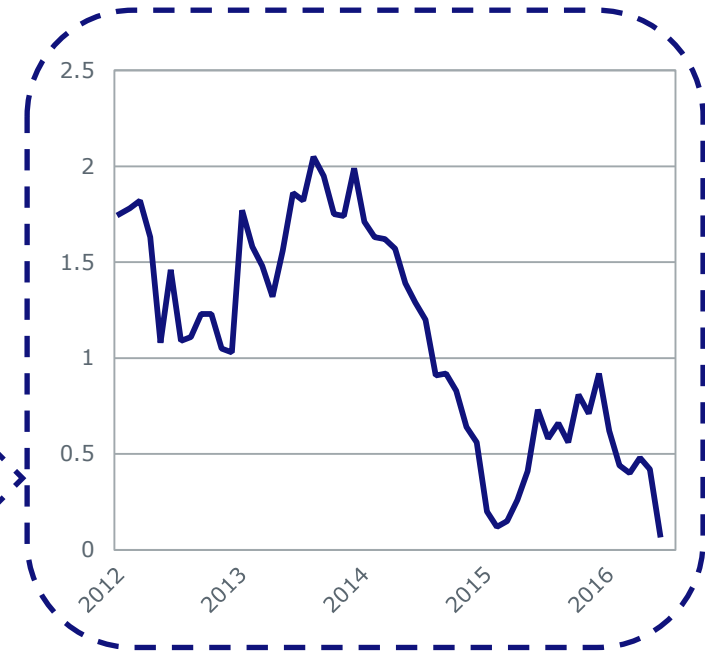
	2013	2014	2015	H1 2016
Lending growth (limit value <20%)	(7.6)	6.8	(7.5)	6.1
Large exposures (limit value <125%)	0.0	34.5	11.1	0.0
Property exposure (limit value <25%)	10.4	13.6	11.4	12.7
Funding ratio (limit value < 1.0%)	0.5	0.6	0.5	0.5
Excess liquidity coverage (limit value >50%)	276.0	281.6	346.5	246.5

Income from securities - the Nykredit Realkredit Group

Net income from securites

DKK million	Avg. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income from securities	59	65	19	21
Investment portfolio income	943	390	427	533
Total investment portfolio income through profit or loss	1,002	455	446	555
Investment portfolio income through equity	(151)	129	10	(178)
Total investment portfolio income	852	583	455	377
- of which bonds	410	267	250	452
- of which equity	159	103	67	7
- of which strategic equities	202	141	96	(117)
- of which others	81	73	42	35

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	H1 2016
Net interest margin, %					
The Nykredit Realkredit Group	0.80%	0.75%	0.82%	0.86%	0.81%
Impairment losses for the period as % of loans and advances					
Mortgage lending	0.14%	0.22%	0.19%	0.09%	0.02%
Banking	0.5%	0.3%	0.2%	(0.1%)	(0.1%)
Write-offs*					
Mortgage lending	1,024	949	1,042	973	479
Banking	848	613	651	651	239
Swaps	63	148	100	106	299
Total provisions for loan impairment					
Mortgage lending	2,954	4,378	5,507	5,694	5,494
Banking (including guarantees excluding financial institu	4,139	4,078	3,665	2,952	2,649
Swaps	1,496	2,229	5,421	5,088	6,101
Total provisions for loan impairment/write-offs					
Mortgage lending	2.9	4.6	5.3	5.9	11.5
Banking	4.9	6.7	5.6	4.5	11.1
Swaps	-	15.1	54.2	48.0	20.4

*Write-offs for H1 2016 has not been annualized.

Ratios

%	2012	2013	2014	2015	H1 2016
Return on average equity, before tax, p.a., %	5.6%	3.3%	-0.3%	7.5%	6.9%
Return from core business on average equity, p.a., %	3.2%	1.4%	5.5%	8.6%	10.2%
Return on assets, %	0.21%	0.15%	0.02%	0.24%	0.26%
Return on REA, %	0.93%	0.62%	0.07%	1.12%	1.19%

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	H1 2016
Tier 1 capital ratio, %	19.1%	18.9%	17.2%	20.5%	21.3%
Common Equity Tier 1 (CET1) capital ratio, %	15.8%	15.8%	15.4%	19.4%	20.2%
Leverage ratio, %*	-	-	-	4.4%	4.4%

* Previous years not computed.

Exposure - weighted average risk weights

%	2012	2013	2014	2015	H1 2016
Retail IRB - Mortgage	-	-	-	-	12,4%
Commercial IRB - Mortgage	-	-	-	-	22,4%
Retail IRB - Banking	-	-	-	-	53%
Business IRB - Banking	-	-	-	-	37,1%
Retail IRB - Group	-	-	-	-	14%
Commercial IRB - Group	-	-	-	-	25,7%

Note: These risk weights only relates to credit risk. Pillar II and operational risk is therefore not included.

Ratios

DKK million	2012	2013	2014	2015	H1 2016
The Nykredit Realkredit Group					
CET1, fully loaded ¹	-	-	54,241	60,257	61,360
Distance to MDA, not fully loaded ²	-	-	-	38,351	39,898
Distance to MDA, fully loaded ^{1,3}	-	-	26,198	35,589	37,196
Available Distributable Items (ADI)	-	-	-	26,230	27,330 ⁴
Asset encumbrance	-	-	-	84%	85%
Nykredit Realkredit A/S					
CET1, fully loaded ¹	-	-	54,308	60,249	61,706
Distance to MDA, not fully loaded ²	-	-	-	34,465	36,238
Distance to MDA, fully loaded ^{1,3}	-	-	25,791	32,453	34,416
Available Distributable Items (ADI)	-	-	-	27,427	28,470 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 75.5bn. Maximum capital requirement is the transitional floor of DKK 48.2bn. Hence at least DKK 27.3bn is available for distribution in line with the CRR definition.

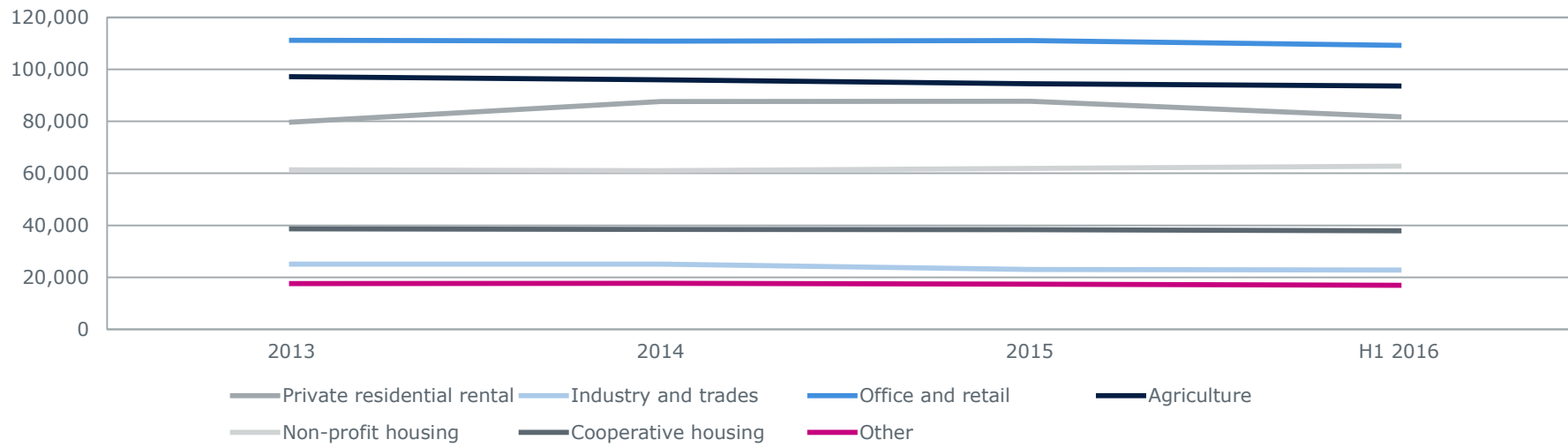
⁵ According to Danish legislation, capital cannot be distributed if dividend payments impair any regulatory capital requirements. Nykredit Realkredit's total capital amounts to DKK 75.8bn. Maximum capital requirement is the transitional floor of DKK 36.1bn. However retained earnings amount to DKK 28.5bn and that is the maximum amount available for distribution.

Mortgage lending

Mortgage lending, nominal value, DKKm



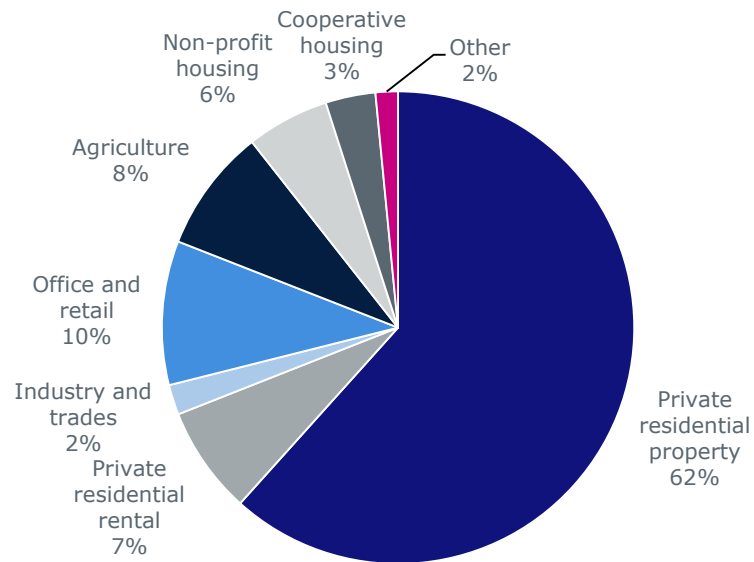
Mortgage lending by property type (excl.private residential property), nominal value,DKKm



Mortgage lending

Mortgage lending – by property type

DKK million, nominal value	2013	2014	2015	H1 2016	Average impairment losses 2013 - H1 2016	Average write-offs 2013 - H1 2016
Private residential property	689,057	674,974	680,401	683,344	0.09%	0.09%
Private residential rental	79,692	87,575	87,757	81,707	0.11%	0.12%
Industry and trades	25,119	25,058	22,999	22,814	0.18%	0.22%
Office and retail	111,215	110,874	111,093	109,250	0.11%	0.12%
Agriculture	97,217	95,982	94,438	93,624	0.49%	0.19%
Non-profit housing	61,385	61,050	61,941	62,766	-0.19%	0.00%
Cooperative housing	38,649	38,481	38,318	37,908	0.52%	0.00%
Other	17,636	17,750	17,377	16,972	0.13%	0.15%
Total	1,119,970	1,111,744	1,114,324	1,108,385	0.14%	0.11%



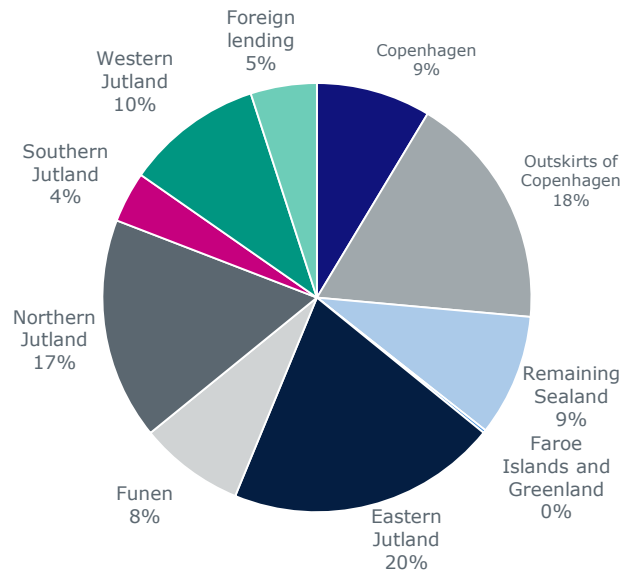
Note: The breakdown by property type is not directly comparable with the Group's business areas. Impairment losses and write-offs has been annualized for the calculation of average impairment losses and average write-offs.

Mortgage lending

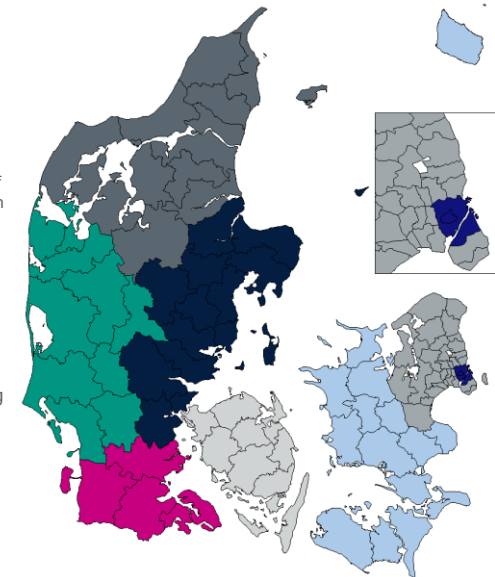
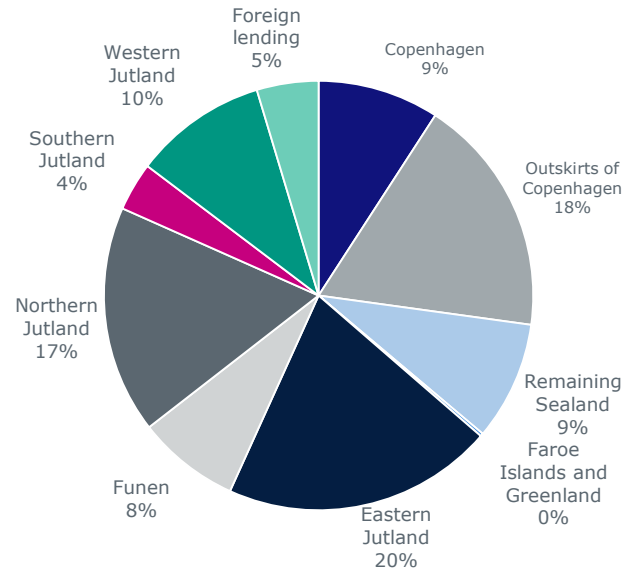
Mortgage lending at nominal value by geography

DKK billion	2012	2013	2014	2015	H1 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	226
Funen	88	87	86	86	86
Northern Jutland	186	189	189	190	190
Southern Jutland	43	42	42	41	41
Western Jutland	115	116	114	112	111
Foreign lending	55	56	56	58	52

2012 (DKK billion)

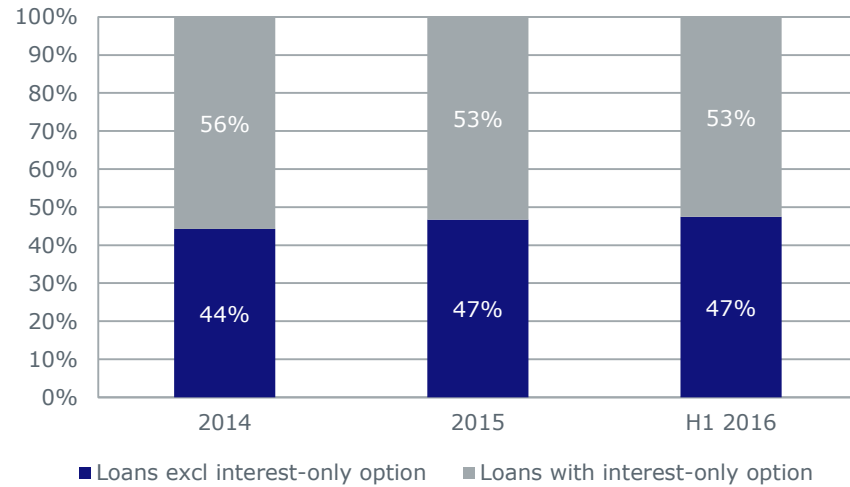


H1 2016 (DKK billion)

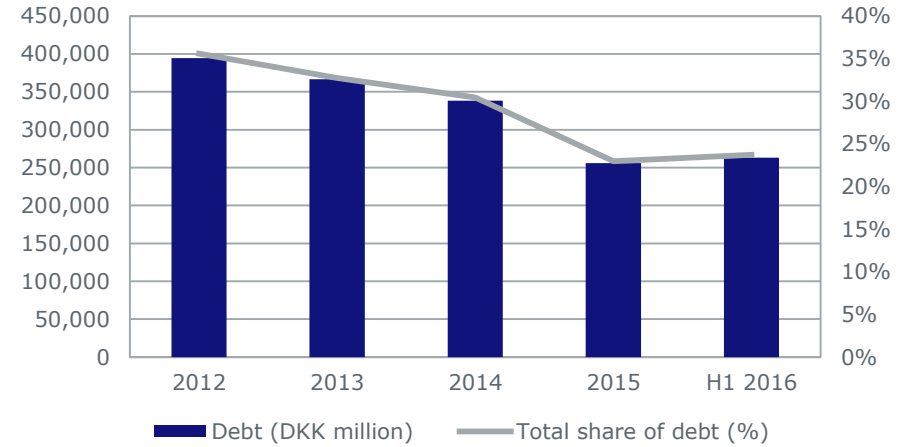


Mortgage lending

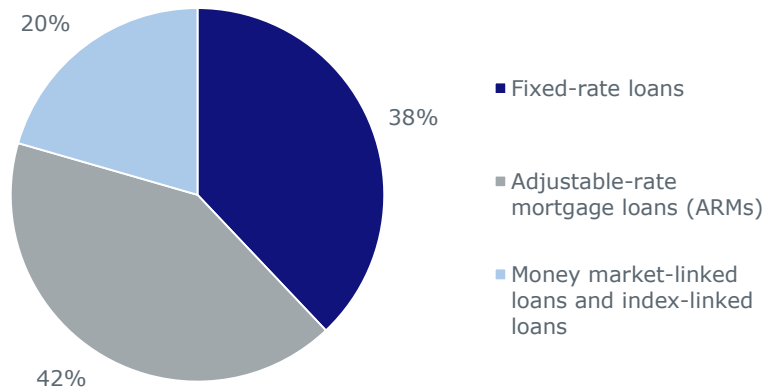
Bond dept outstanding by loan and interest type, all segments



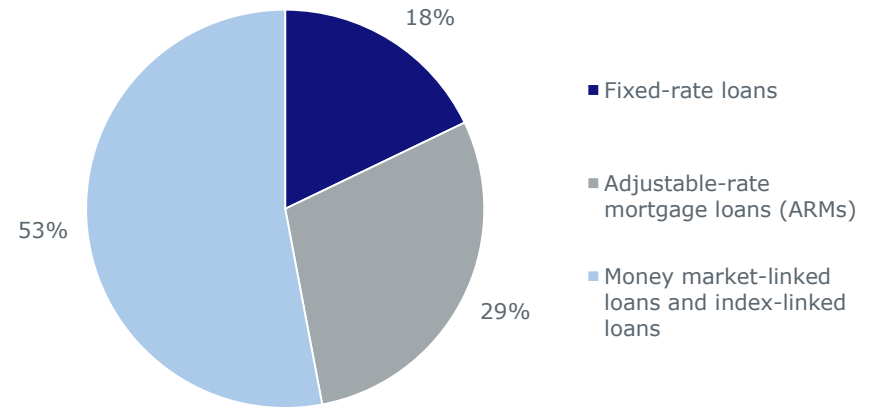
Variable-rate loans with refinancing within one year (ARMs, money market-linked and index-linked), debt outstanding with maturity less than 1 year, all segments, variable-rate loans.



Mortgage lending by loan type, private residential properties, H1 2016

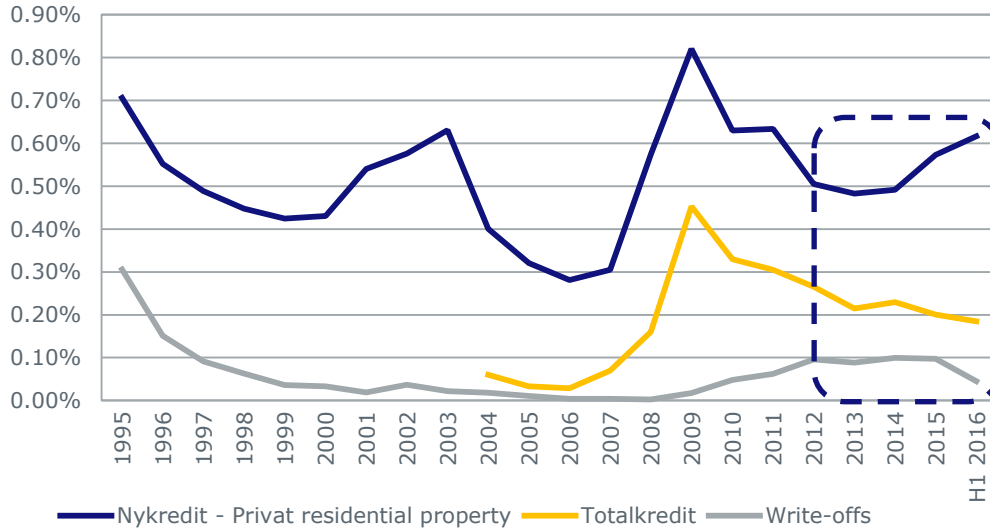


Mortgage lending by loan type, commercial, H1 2016



Arrears – mortgage lending

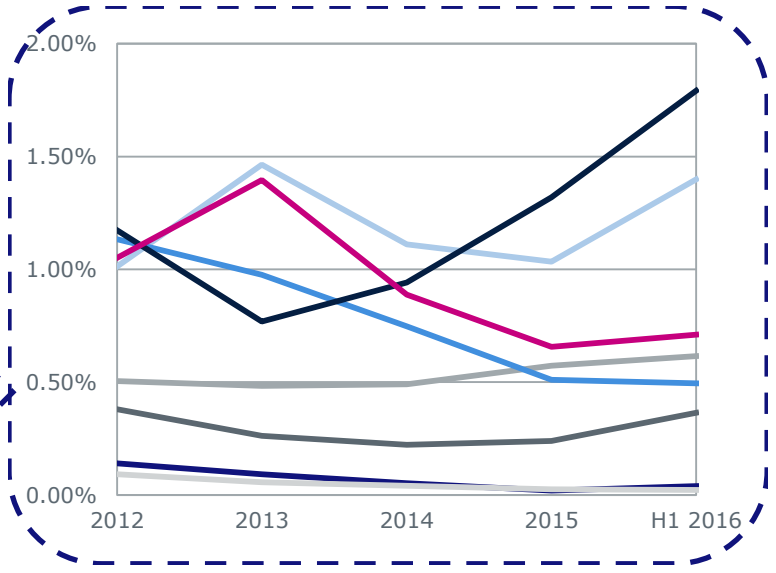
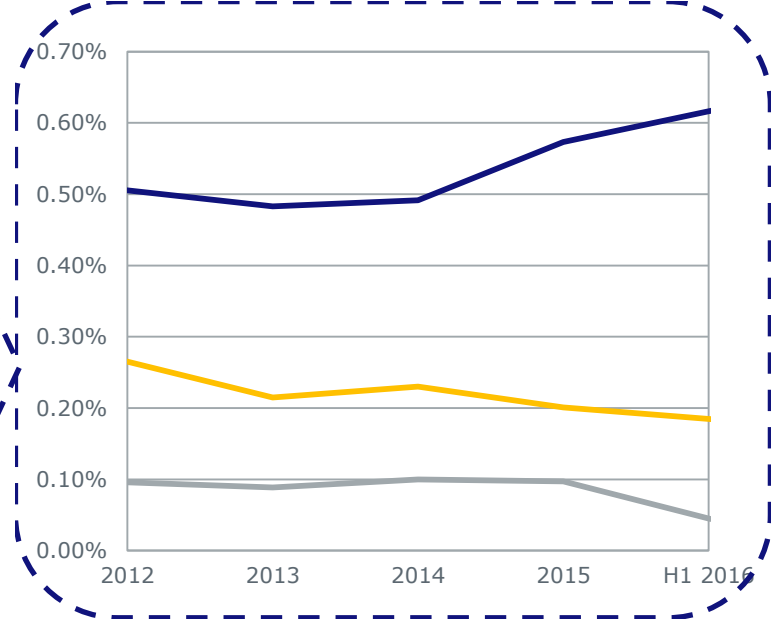
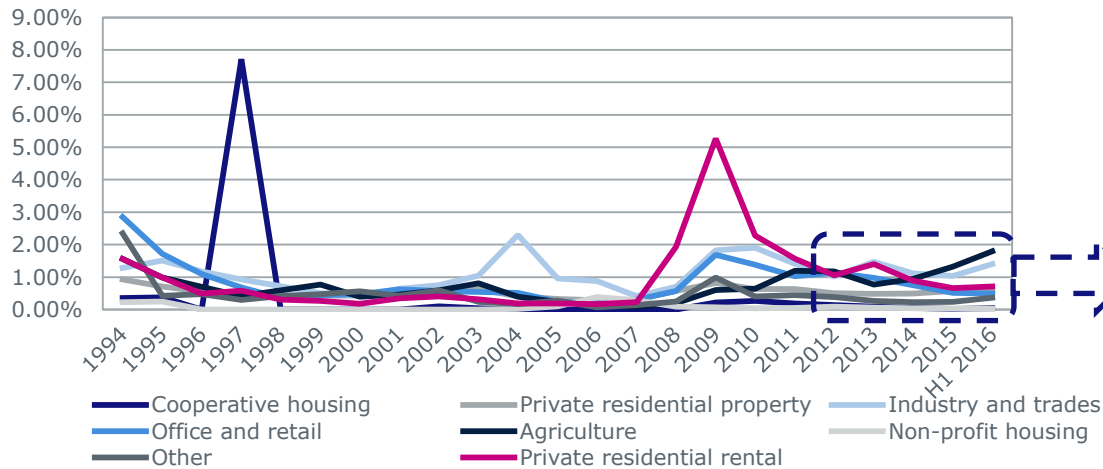
Arrears - 75 days past due, %



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

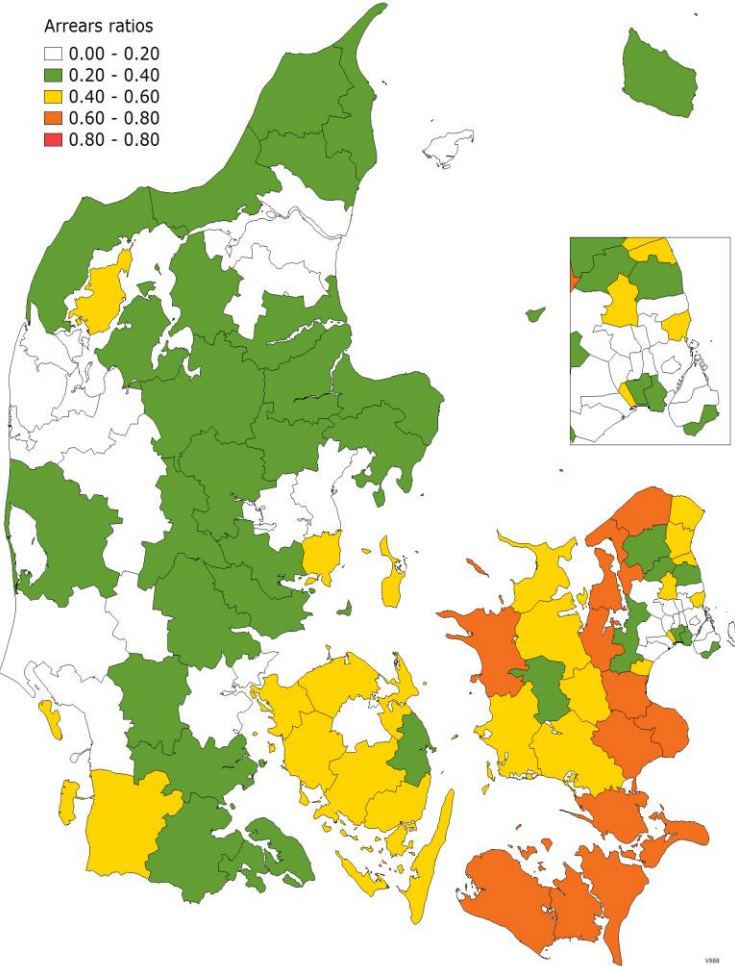
H1 2016 write-offs has not been annualized.

Arrears, 75 days past due, %

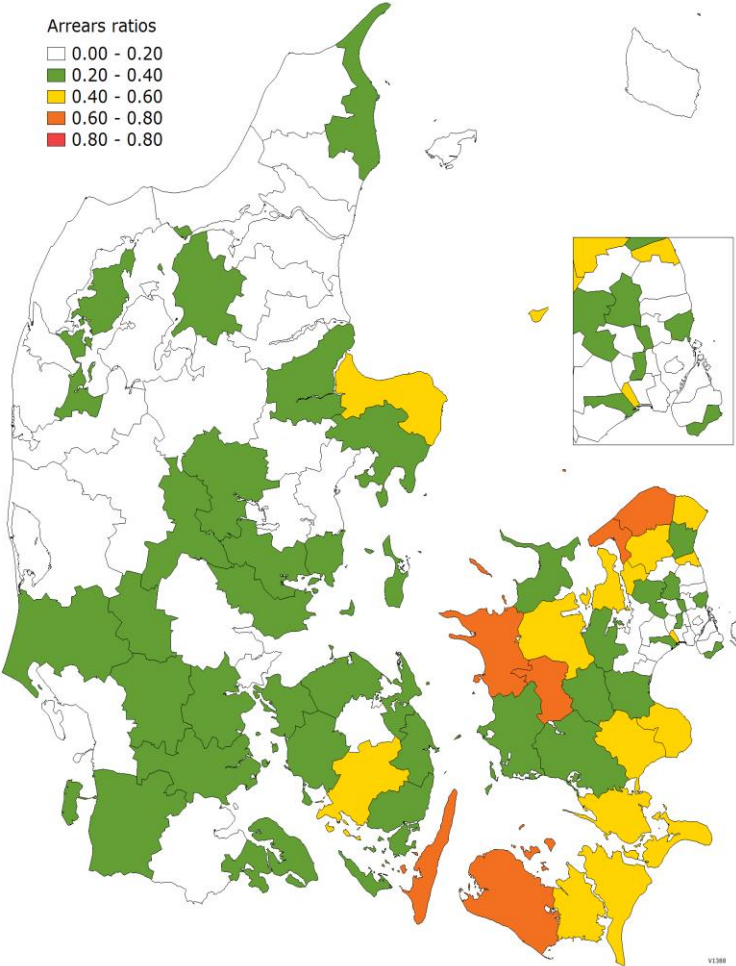


Geographical distribution of arrears/total mortgage lending – private residential property, mortgage lending

75 day-arrears, H1 2015

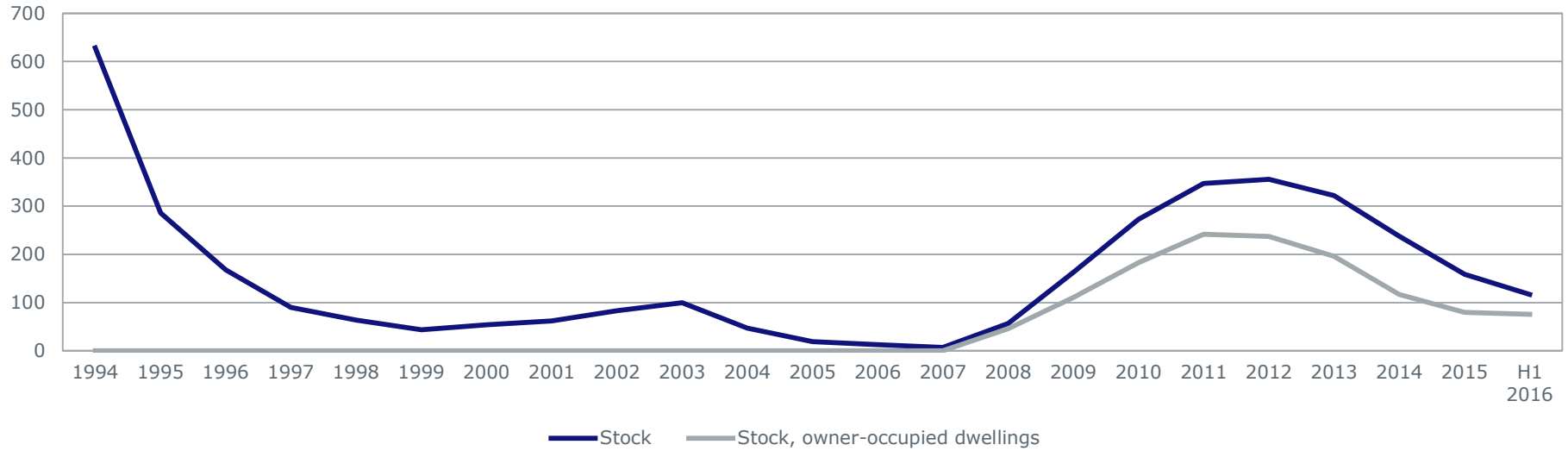


75 day-arrears, H1 2016

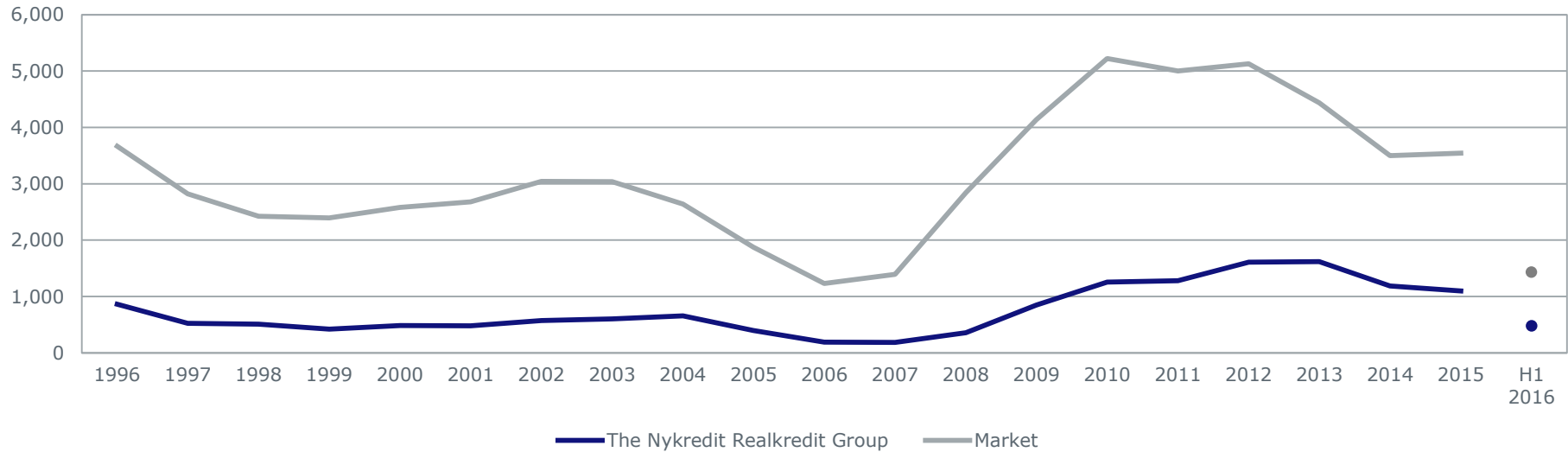


Repossessed properties and forced sales

Repossessions, The Nykredit Realkredit Group



Forced sales in Denmark



Risk relating to mortgage lending

Debt outstanding relative to estimated property values, continuous distribution H1 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	411,901	159,504	97,152	19,450	4,836	-	692,843	33	71
Private residential rental	75,591	26,252	13,063	2,892	1,112	-	118,909	30	67
Industry and trades	19,404	2,745	329	133	197	-	22,807	20	46
Office and retail	85,207	20,308	3,158	861	359	-	109,893	24	52
Agriculture	69,319	18,151	6,817	1,674	536	-	96,498	26	58
Other	13,421	2,681	805	93	105	-	17,105	23	51
Total H1 2016	674,842	229,642	121,323	25,103	7,145	69,670	1,127,725	30	65
Total H1 2015	658,909	232,819	122,402	27,745	9,228	67,978	1,119,080	31	67

3,84% of total lending is outside statutory LTV limits

Debt outstanding relative to estimated property values, H1 2016 continuous distribution, The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Private residential property	59	23	14	3	1
Private residential rental	64	22	11	2	1
Industry and trades	85	12	1	1	1
Office and retail	78	18	3	1	0
Agriculture	72	19	7	2	1
Other	78	16	5	1	1
Total H1 2016	64	22	11	2	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, H1 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	69,363	150,896	268,964	165,070	38,551	-	692,843	33	71
Private residential rental	30,264	39,567	31,291	11,691	6,096	-	118,909	30	67
Industry and trades	11,880	8,902	1,119	398	509	-	22,807	20	46
Office and retail	48,094	44,765	11,990	3,178	1,866	-	109,893	24	52
Agriculture	43,331	30,880	15,231	5,062	1,994	-	96,498	26	58
Other	9,266	5,182	1,955	463	239	-	17,105	23	51
Total H1 2016	212,198	280,191	330,550	185,861	49,255	69,670	1,127,725	30	65
Total H1 2015	192,741	294,916	348,625	153,964	60,856	67,978	1,119,080	31	67

23,54% of total lending is outside statutory LTV limits

Debt outstanding distributed by the top part relative to estimated property values, H1 2016 The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Private residential property	10	22	39	24	6
Private residential rental	25	33	26	10	5
Industry and trades	52	39	5	2	2
Office and retail	44	41	11	3	2
Agriculture	45	32	16	5	2
Other	54	30	11	3	1
Total H1 2016	20	26	31	18	5

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%.

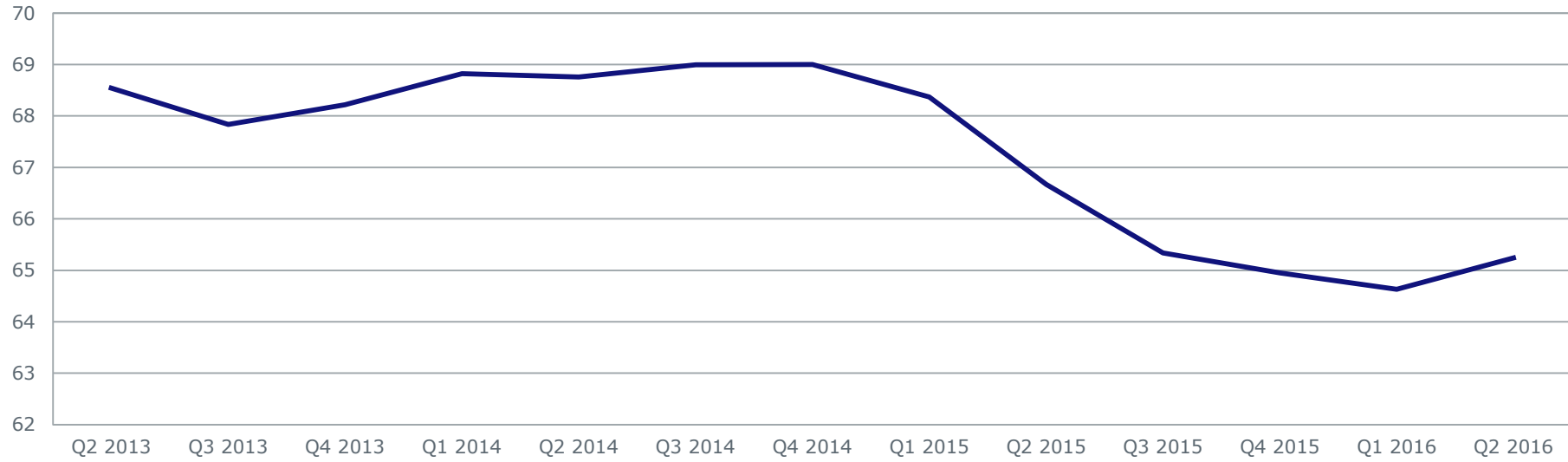
(**) The LTV limit may be extended up to 70% against supplementary collateral for the part in excess in 60%.

Statutory LTV limits by property category

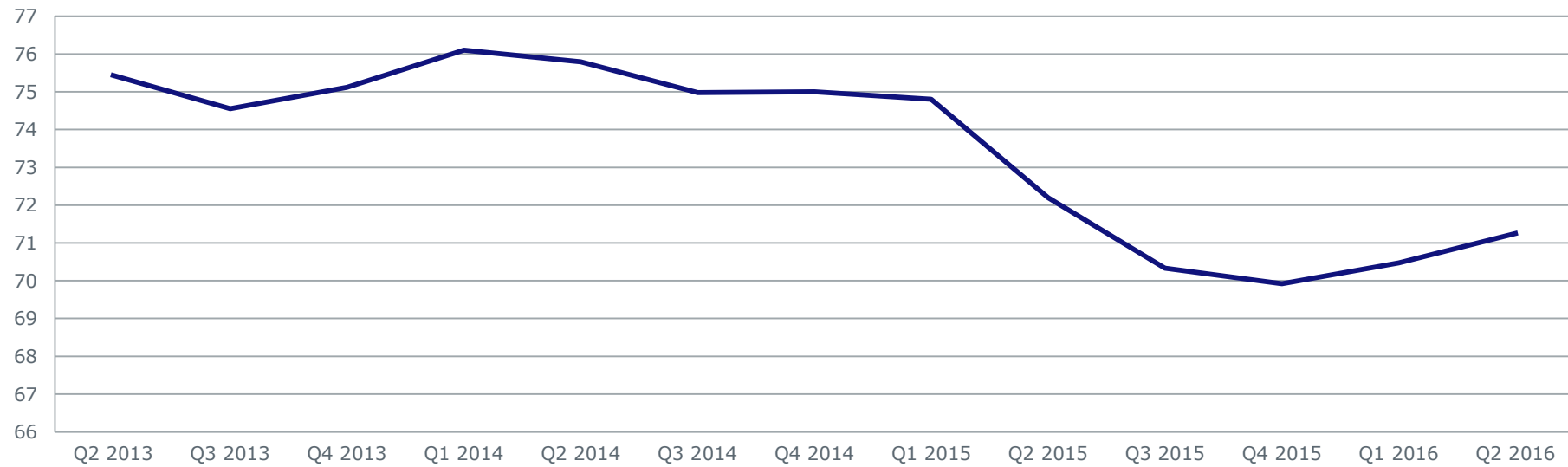
Private residential property for all-year habitation	80%*
Private cooperative housing	80%
Private residential rental properties	80%
Non-profit housing	80%
Youth housing	80%
Senior housing	80%
Properties used for social, cultural or educational purposes	60%
Holiday homes	60%
Agricultural and forestry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

LTV

Average LTV - all segments, %

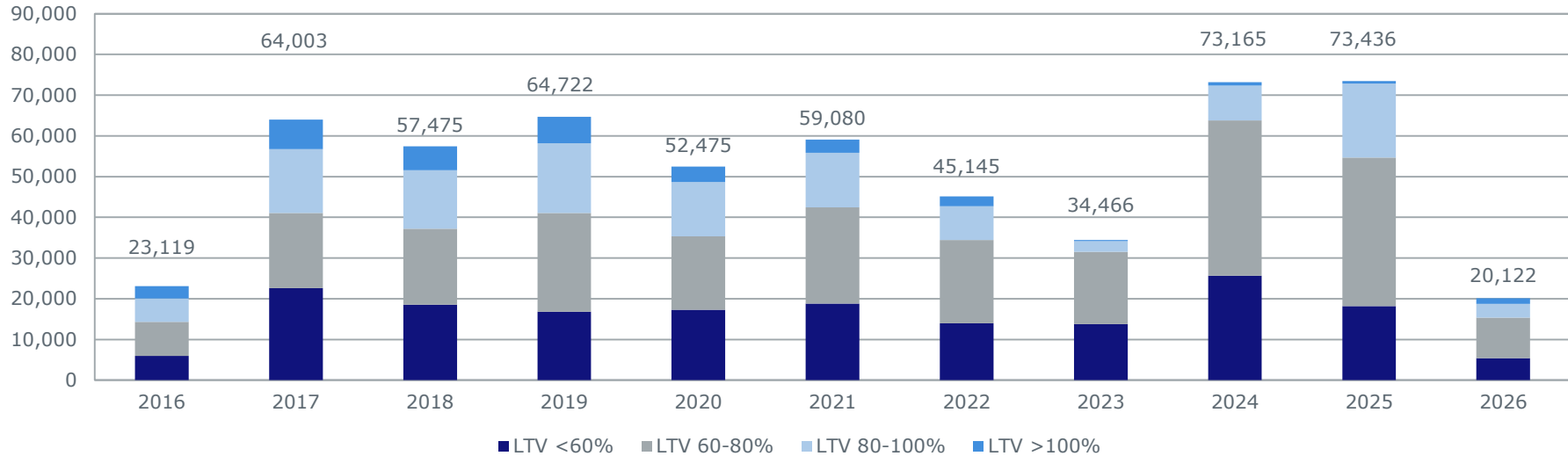


Average LTV - private residential properties, %

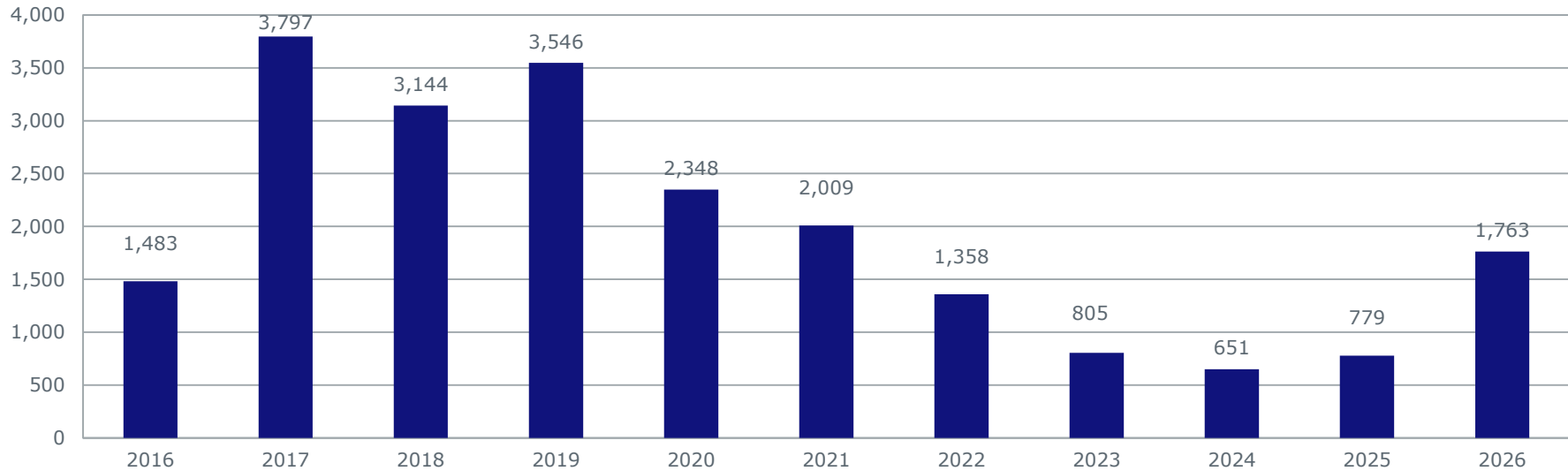


Expiry of interest-only period – mortgage lending

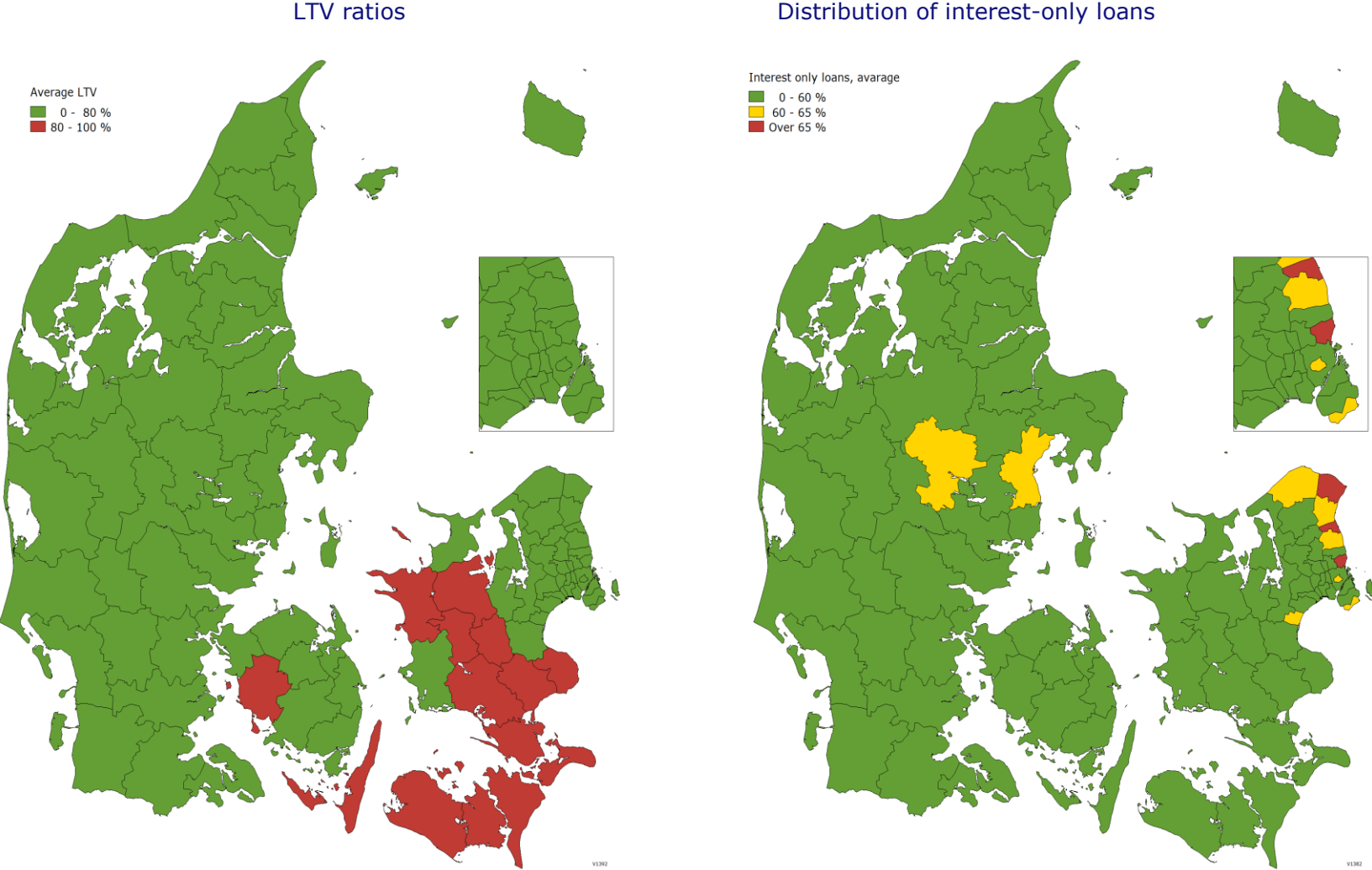
LTV distribution - size of loans by interest-only expiry, DKKm



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



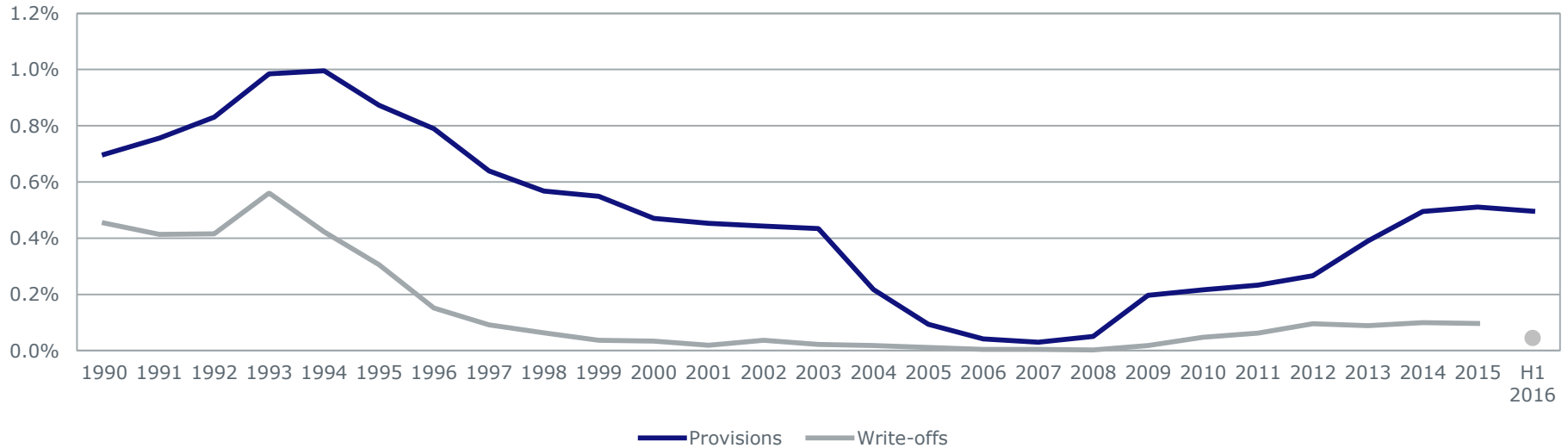
Interest-only loans prevalent where LTVs are low



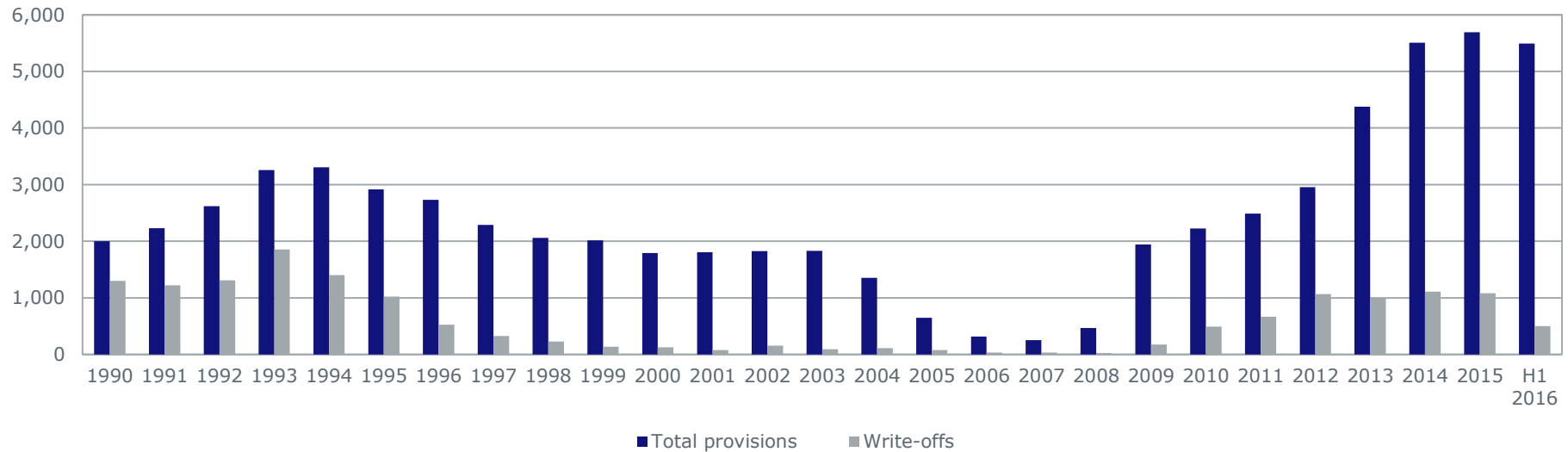
Note: Private residential lending in municipalities with above 80% LTVs and low marketability (above national average of 200 days on market) amounts to 6,2% of total private residential mortgage lending at end-Q1 2016

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 H1 2016 has not been annualized

Impairment provisions and losses – mortgage lending

Total impairment provisions – by property type

DKK million	2013	2014	2015	H1 2016
Private residential property	993	927	888	854
Private residential rental	465	495	586	544
Industry and trades	218	257	242	230
Office and retail	555	506	517	455
Agriculture	494	856	1,096	1,233
Non-profit housing	40	90	40	36
Cooperative housing	307	1,012	886	815
Other	131	126	96	101
Total Nykredit Realkredit	3,204	4,270	4,351	4,269
Totalkredit	1,174	1,236	1,343	1,226
Total impairment provisions from mortgage lending	4,378	5,506	5,694	5,494

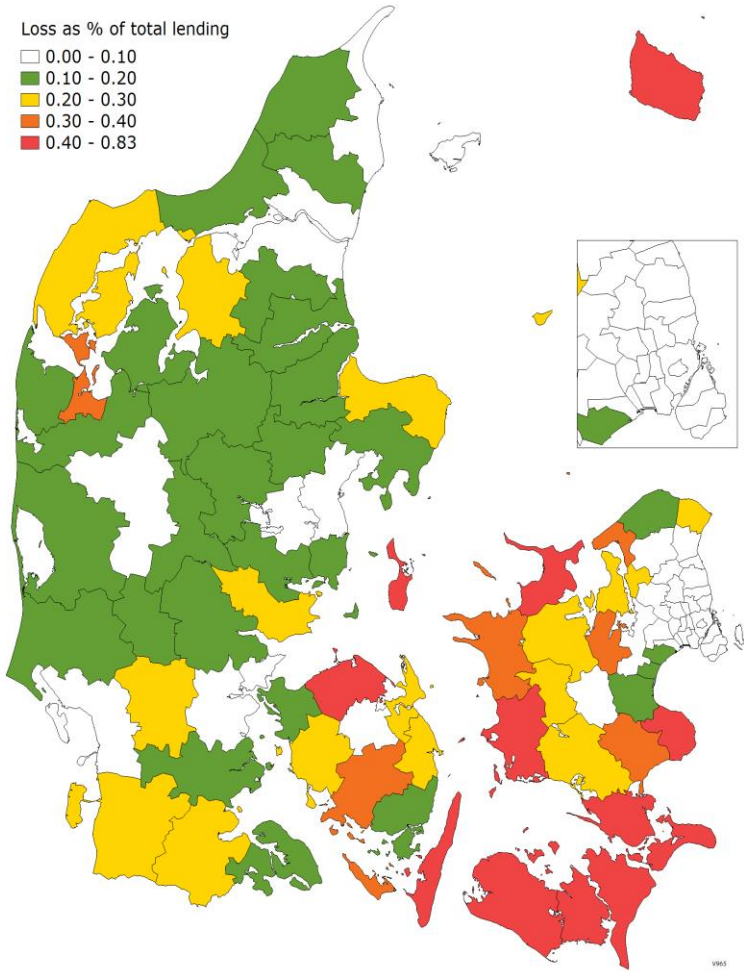
Note: Provisions include individual and collective provisions (including provisions from management judgement)

Impairment losses – by property type

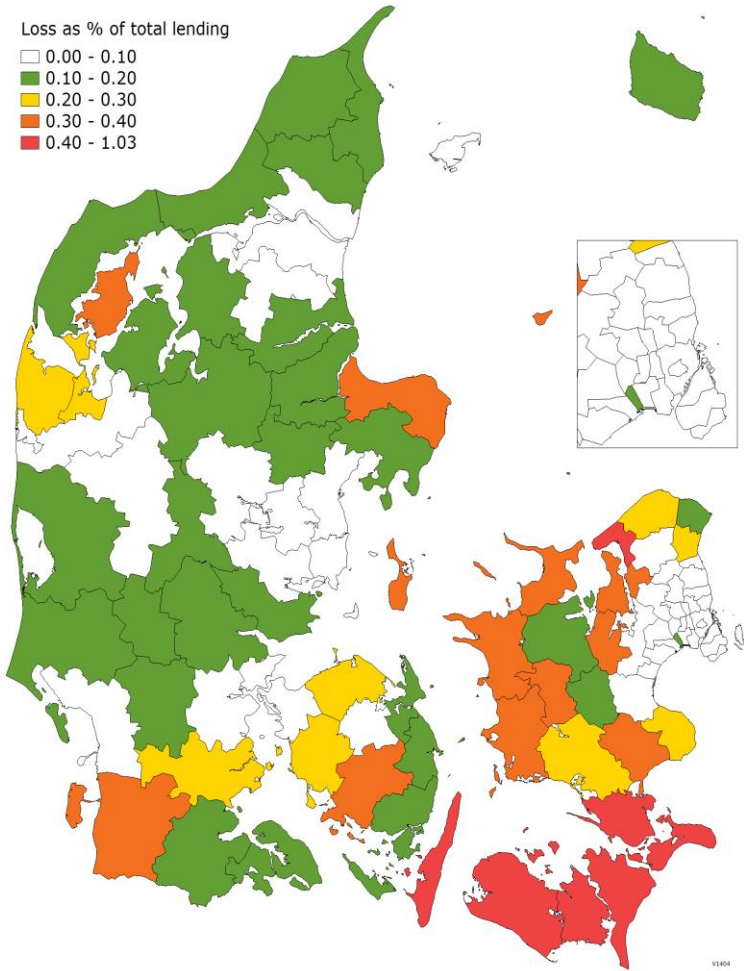
DKK million	2013	2014	2015	H1 2016
Private residential property	629	145	108	46
Private residential rental	189	153	174	(38)
Industry and trades	114	98	43	(20)
Office and retail	399	91	106	(24)
Agriculture	150	441	342	230
Non-profit housing	22	51	(57)	(71)
Cooperative housing	248	706	(126)	(6)
Other	75	26	(2)	(2)
Total Nykredit Realkredit	1,837	1,723	586	166
Totalkredit	901	676	884	119
Total impairment losses from mortgage lending	2,727	2,388	1,470	284
Set-offs, Totalkredit	(333)	(270)	(349)	(124)
Total impairment losses from mortgage lending after set-offs	2,394	2,117	1,121	160

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, H1 2015



Loss as % of total mortgage lending last 4 quarters, H1 2016



Write-offs – mortgage lending

Write-offs after set-offs – by property type

DKK million	2013	2014	2015	H1 2016
Private residential property	281	262	152	74
Private residential rental	92	117	94	24
Industry and trades	41	67	136	(7)
Office and retail	89	142	136	44
Agriculture	110	69	67	119
Non-profit housing	2	1	(8)	-
Cooperative housing	5	1	-	(2)
Other	9	35	25	9
Total Nykredit Realkredit	628	694	602	310
Totalkredit	654	618	807	221
Total write-offs from mortgage lending	1,282	1,312	1,409	531
Set-offs, Totalkredit	(333)	(270)	(349)	(124)
Total write-offs from mortgage lending after set-offs	949	1,042	1,060	407

Note: Write-offs for the year regardless whether the loan has been recognised through profit or loss for the same year. H1 2016 has not been annualized.

Note: Due to intercompany balancing, set-offs may differ from Nykredit Realkredit H1 Interim Report 2016.

Loans, advances and guarantees – bank lending

Loans and advances

DKK million	2012	2013	2014	2015	H1 2016
Public sector	308	259	219	240	383
Agriculture, hunting and forestry	1,638	1,640	1,810	1,785	1,957
Other corporate	69,079	89,153	70,970	72,565	66,312
Total commercial	70,717	90,793	72,781	74,350	68,269
Personal customers	14,183	12,786	12,723	11,624	11,253
Total	85,208	103,838	85,722	86,214	79,905

Guarantees

DKK million	2012	2013	2014	2015	H1 2016
Public sector	205	234	377	56	18
Agriculture, hunting and forestry	319	386	1,420	599	550
Other corporate	5,816	5,997	8,098	6,055	5,640
Total commercial	6,135	6,383	9,518	6,654	6,190
Personal customers	5,829	5,003	10,998	8,470	7,480
Total	12,169	11,620	20,893	15,180	13,688

Provisions – bank lending

Provisions for individual loan impairments and guarantees

DKK million	2012	2013	2014	2015	H1 2016
Public sector	4	-	-	-	-
Agriculture, hunting and forestry	162	168	130	89	83
Other corporate	3,205	3,002	2,507	2,189	1,877
Total commercial	3,367	3,170	2,637	2,278	1,960
Personal customers	532	538	520	533	556
Total	3,903	3,708	3,157	2,811	2,516

Collective impairment provisions

DKK million	2012	2013	2014	2015	H1 2016
Public sector	-	8	-	-	-
Agriculture, hunting and forestry	5	9	8	13	20
Other corporate	155	250	429	75	72
Total commercial	160	259	437	88	92
Personal customers	76	103	72	53	41
Total	236	370	509	141	133

Total impairment provisions

DKK million	2012	2013	2014	2015	H1 2016
Public sector	4	8	-	-	-
Agriculture, hunting and forestry	167	177	138	102	103
Other corporate	3,360	3,252	2,936	2,264	1,949
Total commercial	3,527	3,429	3,074	2,366	2,052
Personal customers	608	641	592	586	597
Total	4,139	4,078	3,666	2,952	2,649

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	H1 2016
Total impairment provisions, rating 0 (DKK million)	373	484	42	535
Bond debt outstanding with OEI (DKK million)	12,734	15,985	14,732	13,642
Total bond debt outstanding (DKK million)	1,119,970	1,111,744	1,114,324	1,108,385
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	H1 2016
Total impairment provisions, NPL (DKK million)	2,741	609	3,173	3,321
Bond debt outstanding, NPL (DKK million)	22,412	23,795	25,474	24,591
Total bond debt outstanding (DKK million)	1,119,970	1,111,744	1,114,324	1,108,385
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	H1 2016
Individual impairment provisions	3,605	3,051	2,711	2,451
Non-performing loans of which loans and advances subject to individual impairment provisioning	5,697	4,708	4,092	3,624
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

H1 2016

DKK billion / %	Negative market value	Total impairment provisions*	Total impairment provision as %
Housing cooperatives	8.7	4.6	53%
Agriculture	1.5	0.4	28%
Other	9.4	1.0	11%
Total	19.6	6.1	31%

* Individual value adjustments, management judgement and CVA

Business areas

Retail	Private and Commercial
Totalkredit Partners	Responsible for the Group's mortgage lending to personal and business customers arranged by local and regional banks.
Wholesale clients	Comprises Corporate & Institutional Banking (CIB) and Nykredit Markets.
Wealth Management	Comprises Private Banking for clients with investable assets and Nykredit Asset Management.
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. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income				
Retail	2,782	2,121	3,203	3,015
Totalkredit Partners	791	1,220	1,261	1,228
Wholesale clients	1,232	1,182	1,339	1,070
Wealth Management	-	-	-	338
Group items	(203)	(216)	(113)	(37)
Income from core business	4,602	4,308	5,691	5,614

Lending and deposits – business areas

DKK million	2013	2014	2015	H1 2016
Mortgage lending (nominal)				
Retail	445,490	442,147	435,916	429,538
-of which Nykredit Realkredit	408,432	386,093	361,459	351,473
-of which Totalkredit	37,057	56,054	74,452	78,065
Totalkredit Partners	494,677	484,596	494,250	499,543
Wholesale clients	179,803	185,002	180,846	175,778
Wealth Management	-	-	3,312	3,526
Total mortgage lending	1,119,970	1,111,744	1,114,324	1,108,385
Bank lending				
Retail	26,740	28,006	27,054	27,721
Wholesale clients	20,048	22,456	17,763	18,656
Wealth Management	-	-	1,922	2,289
Group items	175	33	8	888
Total bank lending	46,963	50,494	46,747	49,554
Deposits				
Retail	36,798	40,637	40,799	43,628
Wholesale clients	27,235	23,287	13,700	10,475
Wealth Management	27,235	23,287	13,700	10,475
Group items	932	1,256	272	2,327
Total deposits	64,964	65,180	58,729	63,217

Note: In the overview of business areas, income in 2013 and 2014 are not directly comparable with income in 2015 and 2016 as income from customers in private banking and asset management has been reallocated.

Business areas – Retail

Result – Retail

DKK million	Avg. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income from				
Business operations	2,897	2,237	3,324	3,063
Senior debt	(82)	(65)	(61)	(48)
Income from core business	2,815	2,172	3,263	3,015
Total costs*	1,524	1,904	1,721	1,612
Profit from core business before impairment losses	1,462	1,261	1,478	1,403
Impairment losses on mortgage loans and advances	806	753	369	264
Impairment losses on bank loans and advances	202	39	28	3
Profit from core business	460	469	1,081	1,136

*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	H1 2016
Mortgage lending				
Gross new lending	40,189	67,574	78,379	24,051
Portfolio at nominal value, end of period	445,490	442,147	435,913	429,538
Impairment losses for the period as % of loans and advances	0.36%	0.34%	0.17%	0.06%
Total impairment provisions, end of period				
Individual impairment provisions	1,787	2,413	2,556	2,548
Collective impairment provisions	1,044	1,281	1,369	1,383
Total impairment provisions as % of loans and advances	0.64%	0.84%	0.90%	0.92%
Banking				
Loans and advances, end of period	26,740	28,006	27,054	27,721
Deposits, end of period	36,798	40,637	40,799	43,628
Impairment losses for the period as % of loans and advances*	1.42%	0.27%	0.25%	0.04%
Total impairment provisions, end of period				
Individual impairment provisions	2,126	1,864	1,696	1,596
Collective impairment provisions	196	114	88	84
Total impairment provisions as % of loans and advances	7.99%	6.60%	6.19%	5.71%
Guarantees, end of period	3,247	4,357	4,342	4,212
Provisions for guarantees, end of period	48	51	44	39

*Including impairment losses from guarantees

Business areas – Totalkredit Partners

Result – Totalkredit partners

DKK million	Avg. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income from				
Business operations	937	1,325	1,345	1,300
Senior debt	(146)	(105)	(84)	(72)
Income from core business	791	1,220	1,261	1,228
Total costs*	465	225	1,207	282
Profit from core business before impairment losses	326	994	54	946
Impairment losses on mortgage lending	277	181	206	8
Profit from core business	49	813	(152)	938

*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	H1 2016
Mortgage lending				
Gross new lending	56,238	89,411	137,478	39,444
Portfolio at nominal value, end of period	494,677	484,596	494,250	499,543
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	448
Collective impairment provisions	681	657	729	639
Total impairment provisions as % of loans and advances	0.23%	0.24%	0.25%	0.22%

Business areas – Wholesale clients

Result – Wholesale clients

DKK million	Avg. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income from				
Business operations	1,245	1,190	1,345	1,074
Senior debt	(13)	(8)	(6)	(4)
Income from core business	1,232	1,182	1,339	1,070
Total costs*	454	532	489	336
Profit from core business before impairment losses	777	650	850	734
Impairment losses on mortgage lending	125	126	(54)	(60)
Impairment losses on bank loans and advances	(14)	68	(88)	(107)
Profit from core business	666	456	993	901

*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	H1 2016
Mortgage lending				
Gross new lending	26,739	35,430	37,814	13,098
Portfolio at nominal value, end of period	179,803	185,002	184,158	175,778
Impairment losses for the period as % of loans and advances	0.14%	0.14%	(0.06%)	(0.04%)
Total impairment provisions, end of period				
Individual impairment provisions	266	507	454	405
Collective impairment provisions	142	154	85	71
Total impairment provisions as % of loans and advances	0.23%	0.36%	0.29%	0.27%
Banking				
Loans and advances, end of period	20,048	22,456	19,685	18,657
Deposits, end of period	27,235	23,287	17,643	16
Impairment losses for the period as % of loans and advances*	(0.13%)	0.57%	(0.85%)	(0.43%)
Total impairment provisions, end of period				
Individual impairment provisions	1,419	1,131	962	828
Collective impairment provisions	174	395	53	49
Total impairment provisions as % of loans and advances	7.36%	6.36%	4.90%	4.49%
Guarantees, end of period	1,804	1,913	1,892	1,471
Provisions for guarantees, end of period	55	55	55	25

*Including impairment losses from guarantees

*Asset management is included in the following years: 2013, 2014 and 2015.

Business areas – Wealth Management

Result – Wealth Management

DKK million	2013	2014	2015	H1 2016
Core income from				
Business operations	-	-	-	338
Senior debt	-	-	-	0
Income from core business	-	-	-	338
Total costs*	-	-	-	194
Profit from core business before impairment losses	-	-	-	144
Impairment losses on mortgage lending	-	-	-	(1)
Impairment losses on bank loans and advances	-	-	-	24
Profit from core business	-	-	-	121

Activity – Wealth Management

DKK million	2013	2014	2015	H1 2016
Assets under management	116,269	133,484	143,812	149,575
Assets under administration				
Nykredit Portefølje Administration A/S	598,434	669,112	700,372	726,162
of which the investment funds of the Nykredit Group	51,808	60,165	66,394	67,874

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

Business areas – Group items

Result – Group items

DKK million	Avg. half-year 2013	Avg. half-year 2014	Avg. half-year 2015	H1 2016
Core income from				
Business operations	(32)	10	22	50
Senior and subordinated debt	(230)	(291)	(154)	(108)
Securities	59	65	19	21
Income from core business	(203)	(216)	(113)	(37)
Total costs*	580	197	98	11
Profit from core business before impairment losses	(782)	(413)	(211)	(48)
Impairment losses on mortgage lending	5	6	-	-
Impairment losses on bank loans and advances	(13)	2	-	(6)
Profit from core business	(774)	(420)	(211)	(42)

Activity – Group items

DKK million	2013	2014	2015	H1 2016
Banking				
Loans and advances, end of period	175	33	8	888
Deposits, end of period	932	1,256	272	2,327
Total impairment provisions, end of period				
Individual impairment provisions	60	55	53	-
Collective impairment provisions	-	-	-	-
Total impairment provisions as % of loans and advances	20.16%	62.65%	86.49%	-
Guarantees, end of period	1,260	1,276	708	171

The Danish economy

Nykredit's regional housing price forecasts

%	2013	2014	2015	2016F	2017F
Houses – Denmark	0.6	1.8	6.5	2.2	2.3
Copenhagen	7.5	8.1	10.1	5.4	3.1
North Sealand	0.4	3.6	7.7	2.4	2.7
East Sealand	2.7	3.1	8.2	2.7	3.5
West and South Sealand	(2.7)	(2.0)	7.7	(0.3)	2.3
Bornholm	(4.4)	1.4	3.2	5.9	1.4
Funen	(0.5)	(0.5)	4.9	0.6	1.3
South Jutland	(2.2)	(0.0)	4.2	0.1	1.3
East Jutland	(0.1)	(0.3)	6.9	2.0	2.4
West Jutland	(1.2)	(0.2)	0.9	1.8	1.4
North Jutland	0.1	0.9	4.3	2.2	2.0
Owner-occupied flats – Denmark	7.8	5.3	10.8	6.9	3.9
Copenhagen	13.0	7.5	12.9	6.7	5.0
Municipality of Aarhus	3.9	4.9	10.4	5.4	4.5
Holiday homes - Denmark	(0.8)	(2.5)	1.8	(0.5)	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%	1.0%
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%	(1.7%)
Balance of payment as % of nominal GDP	5.7%	5.7%	7.1%	6.3%	7.0%
Net unemployment	4.0%	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 half-year	FY divided by 2

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