

Fact Book Q4/2016

The Nykredit Realkredit Group

Unaudited

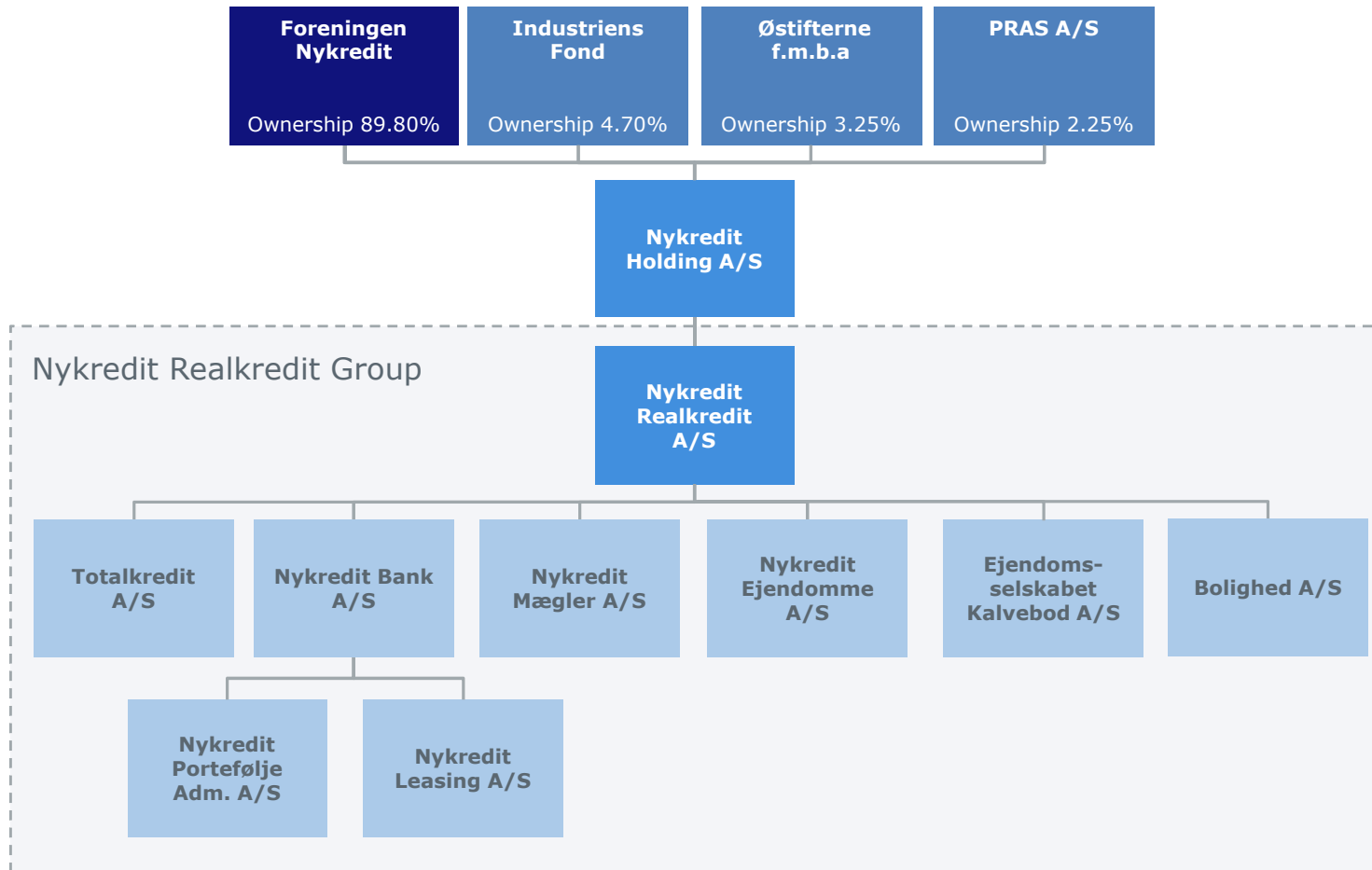


Nykredit

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Group chart



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Our investor website www.nykredit.com/ir contains:

- General information
- Press releases
- Financial and CSR reports
- Risk and capital reports
- Bond data
- Prospectuses
- Publications on markets
- Cover pool data

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 Realkredit A/S

	S&P	Fitch
Covered bonds		
Capital Centre H (SDO covered bonds)	AAA	
Capital Centre E (SDO covered bonds)	AAA	
Capital Centre G (RO covered bonds)	AAA	
Capital Centre I (RO covered bonds)	AAA	
Capital Centre D (RO covered bonds)	AAA	
Capital Centre C (RO covered bonds)	AAA	
Nykredit in General (RO covered bonds)	AAA	
Senior secured bonds (junior covered bonds)		
Capital Centre D (JCB senior secured debt (section 15 bonds))	AA-	
Capital Centre H (JCB senior secured debt (section 15 bonds))	AA-	
Unsecured debt		
Short-term senior unsecured debt	A-1	F1
Long-term senior unsecured debt	A	A
Senior Resolution Notes	BBB+	A
Capital instruments		
Tier 2	BBB	A-
Contingent Capital Notes (Tier 2)	BBB	BBB
Additional Tier 1	BB+	BB+

Totalkredit A/S

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

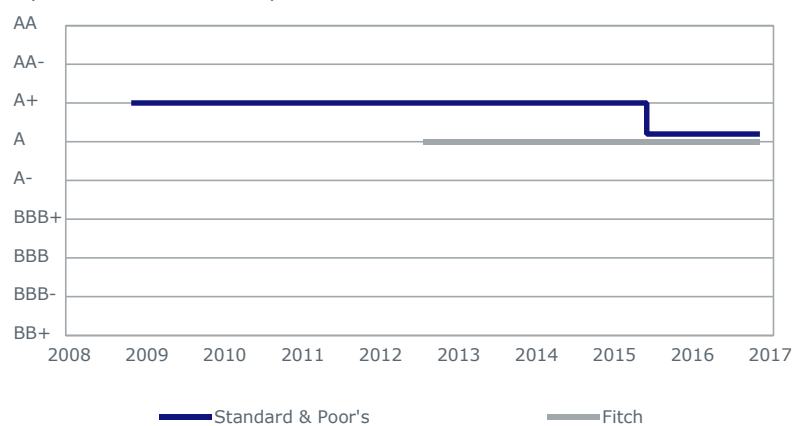
Nykredit Bank A/S

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

Ratings history

Long term senior unsecured debt

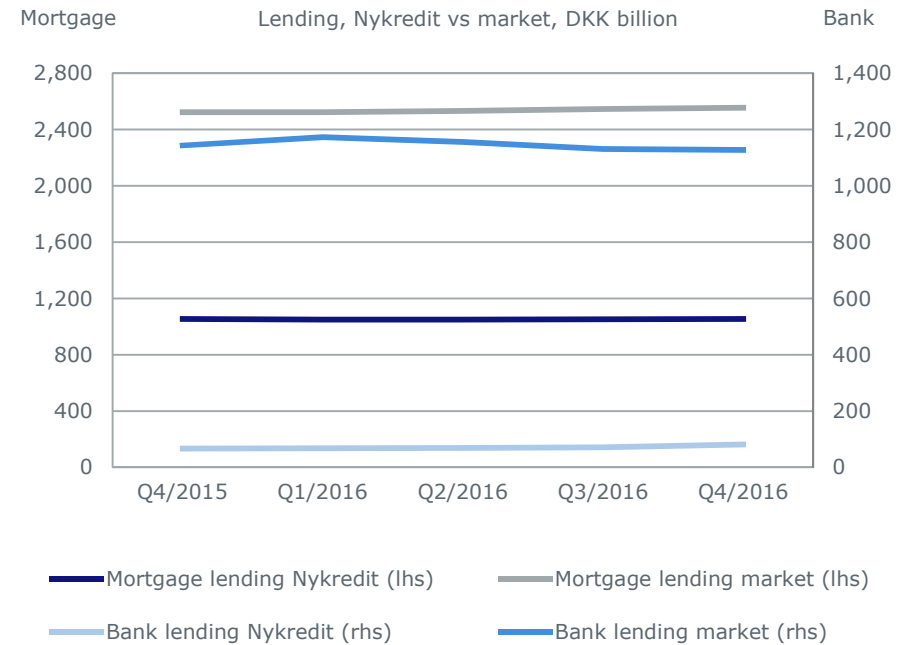
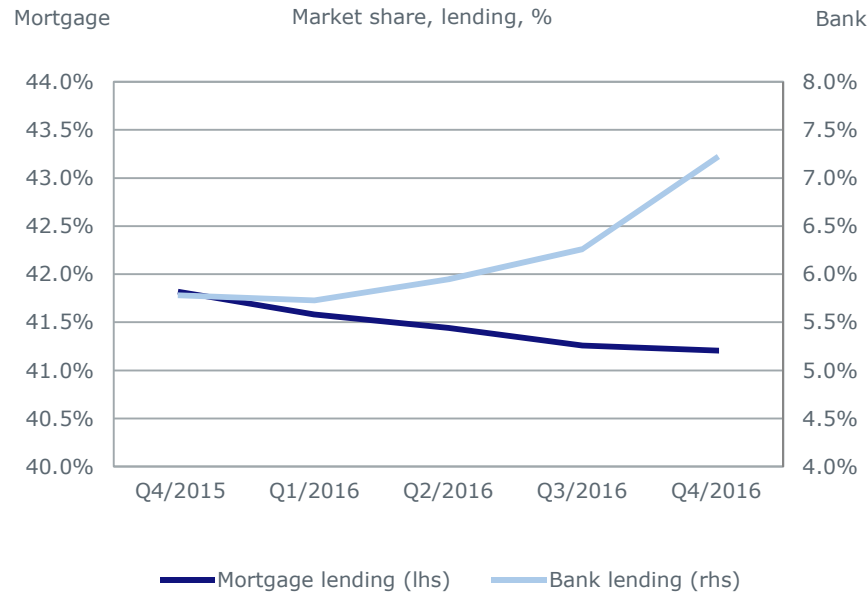
Nykredit Realkredit and Nykredit



Market share – lending

Market share*

DKK billion	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Bank lending	66	67	69	71	81
Mortgage lending	1,055	1,049	1,050	1,051	1,053
Total	1,121	1,116	1,119	1,122	1,134
Market share					
Bank lending	5.8%	5.7%	5.9%	6.3%	7.2%
Mortgage lending	41.8%	41.6%	41.4%	41.3%	41.2%
Total	30.6%	30.2%	30.3%	30.5%	30.8%



*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	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from					
Business operations	2,892	2,831	2,933	3,110	3,285
Senior and subordinated debt	(127)	(118)	(114)	(164)	(98)
Securities	9	11	10	12	13
Income from core business	2,774	2,724	2,829	2,958	3,200
Operating costs, depreciation and amortisation	1,401	1,165	1,201	1,214	1,542
Mortgage business contribution to Resolution Fund	15	34	35	35	34
Profit from core business before impairment losses	1,358	1,525	1,593	1,709	1,624
Impairment losses on mortgage lending	261	(35)	246	232	377
Impairment losses on bank lending	(34)	(16)	(70)	28	(82)
Profit from core business	1,131	1,576	1,417	1,449	1,329
Legacy derivatives	129	(741)	(510)	66	422
Gain on sale of owner-occupied properties	-	-	-	-	369
Impairment of goodwill and customer relationships	(58)	-	-	-	-
Investment portfolio income	372	60	473	580	218
Investment portfolio income, capital gains from the sale of strategic equities	-	-	-	-	-
Profit (loss) before tax	1,574	895	1,380	2,095	2,338
Tax	374	190	282	435	472
Profit (loss) for the period	1,200	705	1,098	1,660	1,866
Minority interests	-	-	1	-	(2)
Profit for the period excluding minority interests	1,200	705	1,097	1,660	1,868

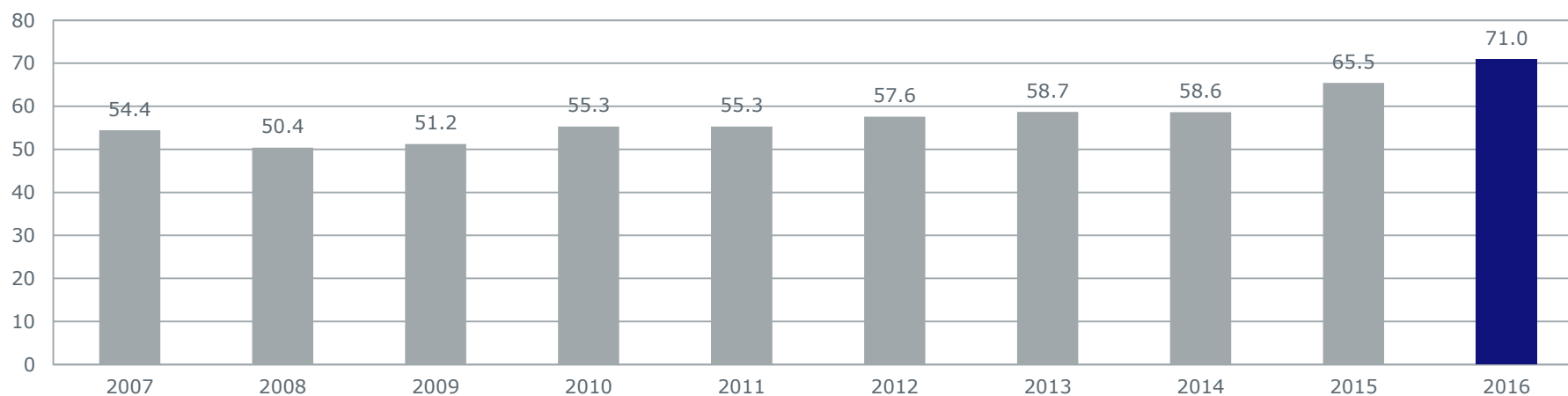
Note: Largely all the Group's investment activities are marked to market, for which reason group earnings exhibit a certain degree of volatility.

Balance sheet summary – the Nykredit Realkredit Group

The Nykredit Realkredit Group

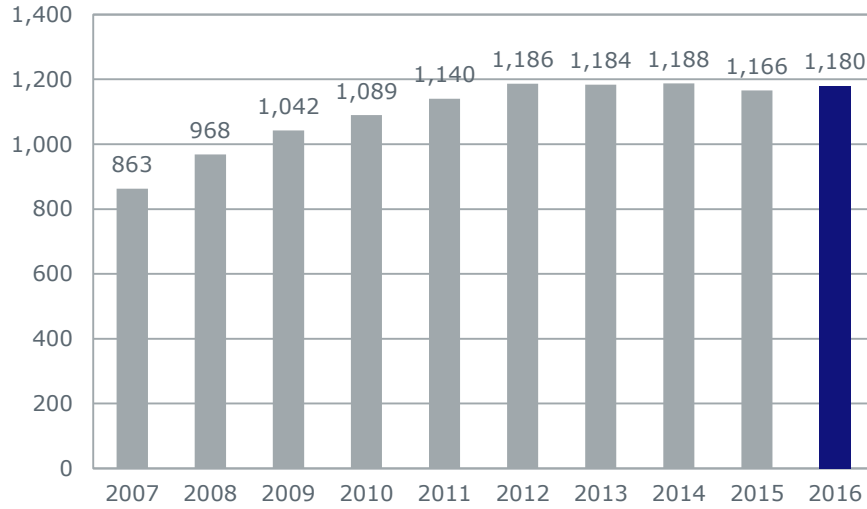
DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Assets					
Receivables from credit institutions and central banks	23,253	28,798	43,706	41,685	34,829
Mortgage loans at fair value	1,119,101	1,122,218	1,127,725	1,127,516	1,124,693
Bank lending - excl reverse transactions	46,747	48,972	49,554	53,115	55,004
Bonds and equities	110,294	116,892	106,387	108,574	116,555
Remaining assets	84,394	83,278	79,923	74,910	69,525
Total assets	1,383,789	1,400,158	1,407,294	1,405,800	1,400,606
Liabilities and equity					
Payables to credit institutions and central banks	30,226	44,015	28,131	19,362	21,681
Deposits	62,599	59,583	69,547	64,897	65,415
Bonds in issue at fair value	1,137,314	1,135,251	1,142,561	1,151,669	1,152,383
Subordinated debt	11,006	11,240	11,260	11,276	11,078
Remaining liabilities	77,184	83,931	88,778	89,720	79,092
Equity	65,460	66,137	67,017	68,877	70,957
Total liabilities and equity	1,383,789	1,400,158	1,407,294	1,405,800	1,400,606

Equity, DKKbn

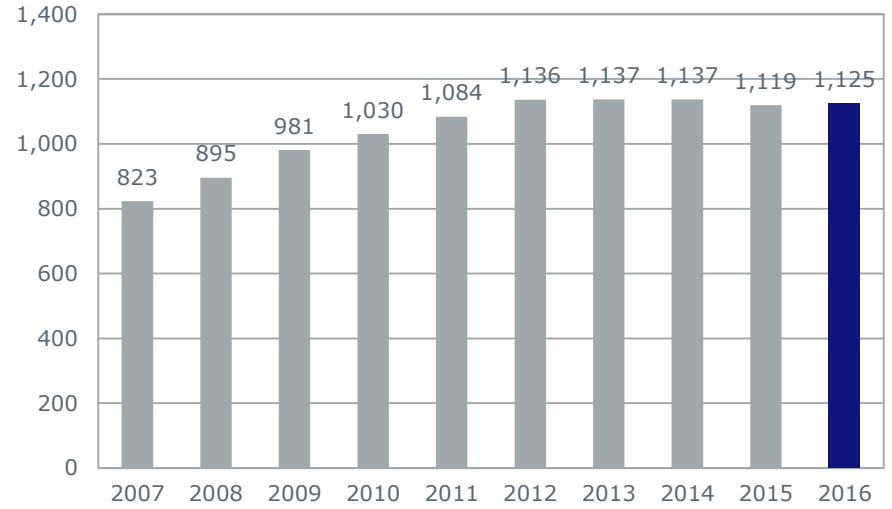


Balance sheet summary – the Nykredit Realkredit Group

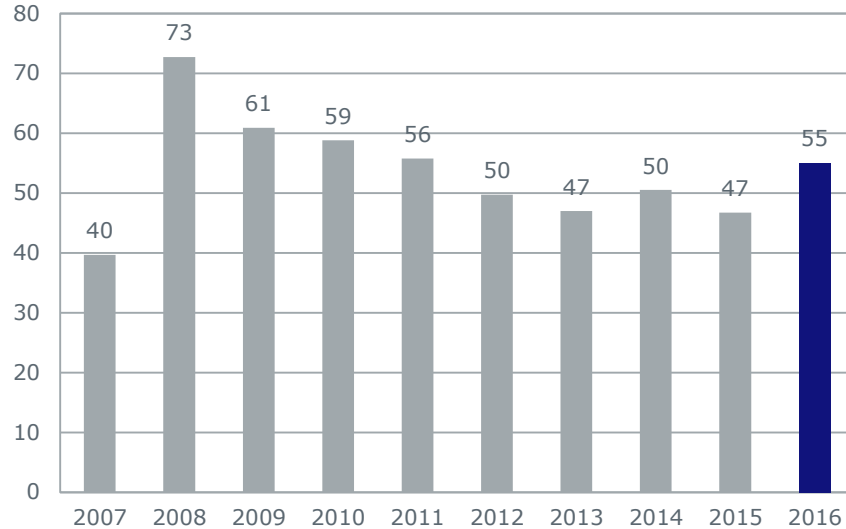
Total lending, DKKbn



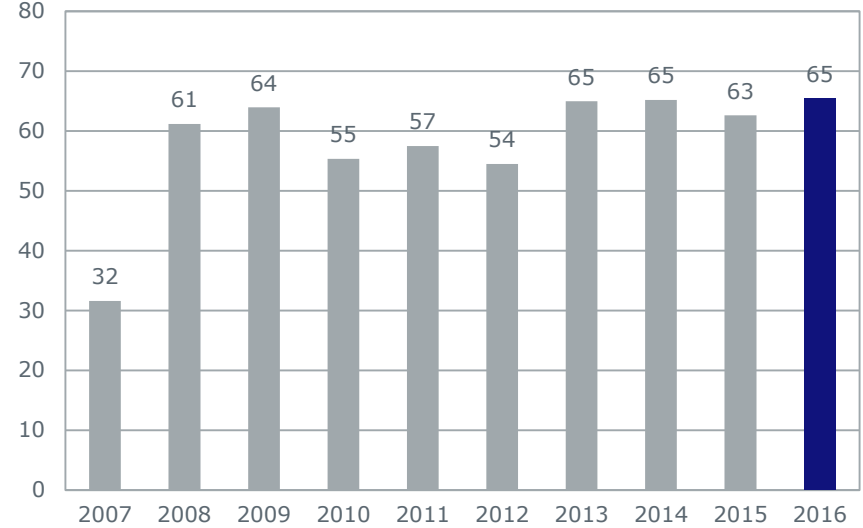
Total mortgage lending, DKKbn



Total bank lending, DKKbn



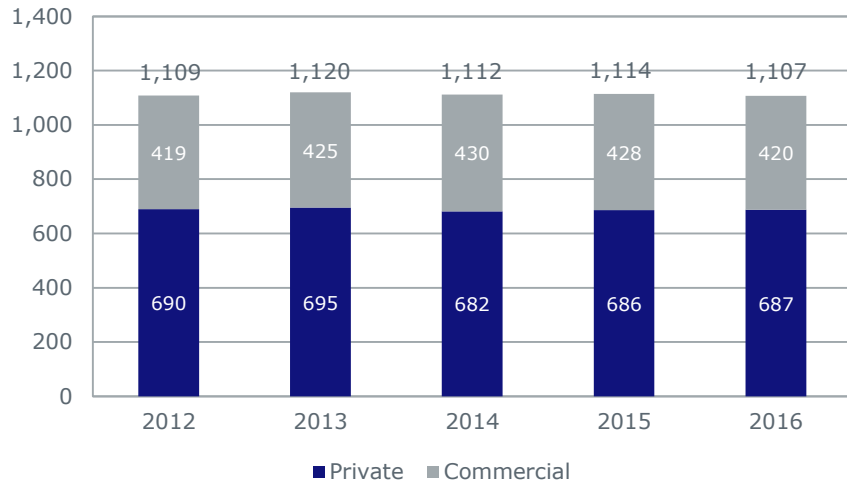
Total bank deposits, DKKbn



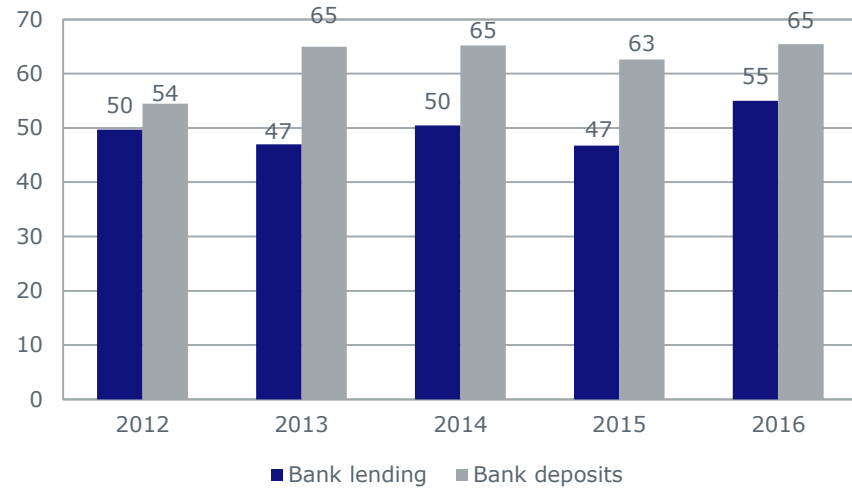
Note: Mortgage lending based on fair value. Bank lending excludes reverse transactions.

Lending and deposits

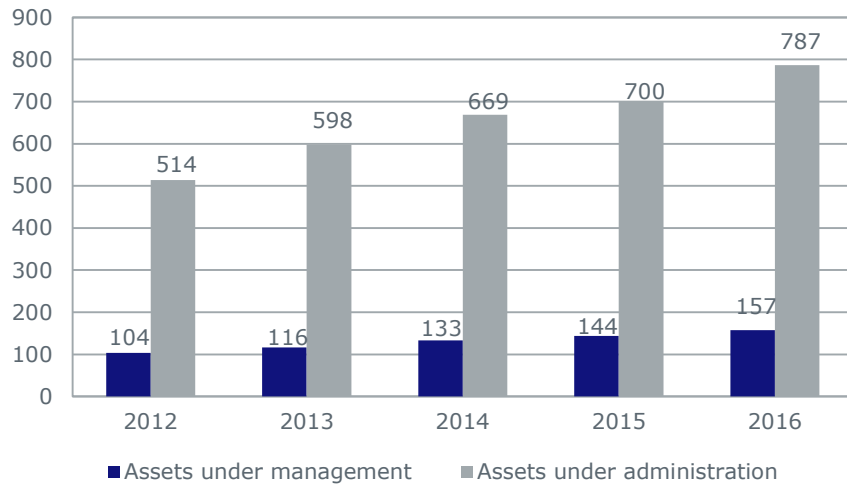
Nominal mortgage lending, DKKbn



Bank lending and bank deposits, DKKbn

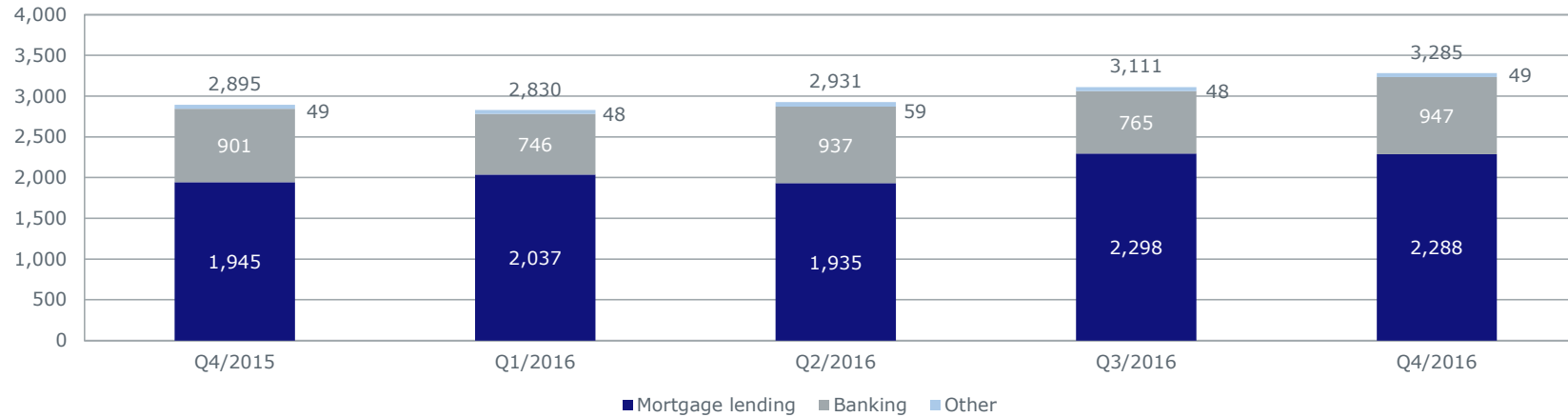


Assets under administration, DKKbn

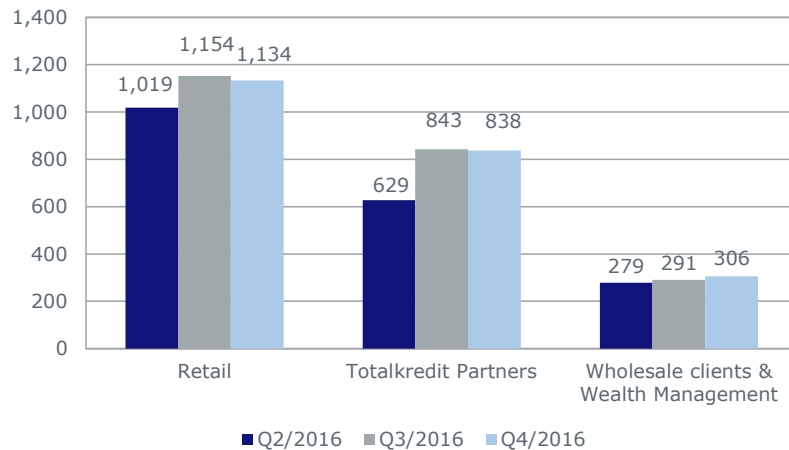


Breakdown of core income – the Nykredit Realkredit Group

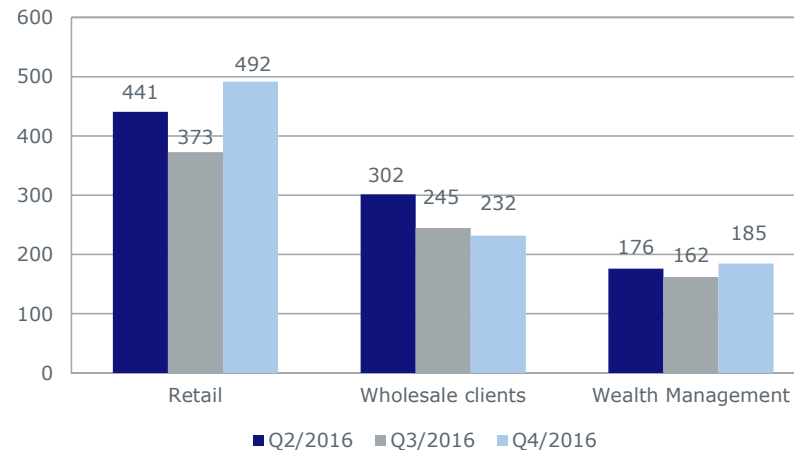
Core income from business operations, DKKm2016



Mortgage - Core income from business operations by business area excl Group items, DKKm2016



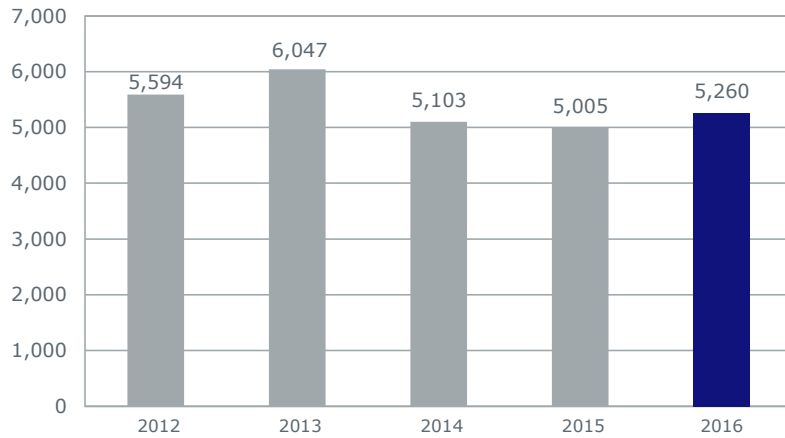
Banking - Core income from business operations by business area excl Group items, DKKm2016



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

Breakdown of costs

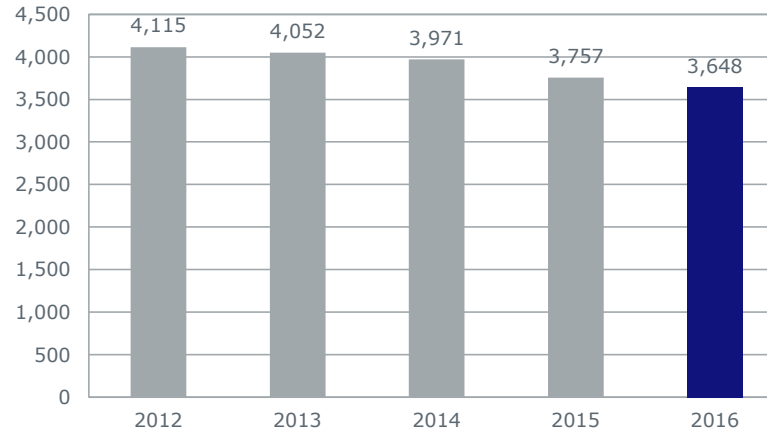
Operating costs, the Nykredit Realkredit Group, DKKm



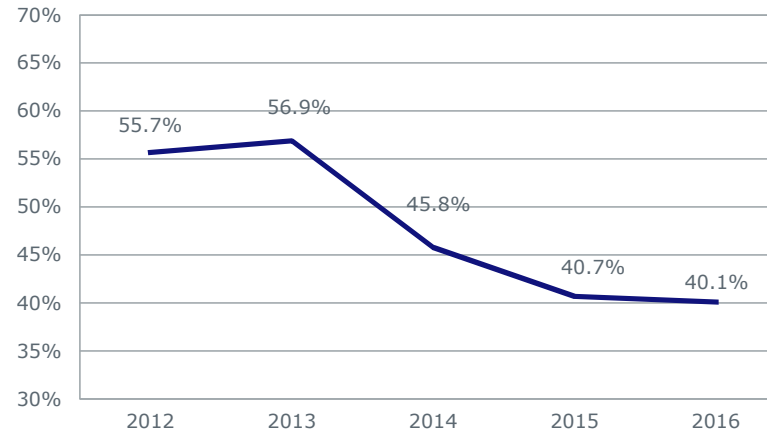
Note: Operating costs incl mortgage business contribution to Resolution Fund and provisions for restructuring



Average number of full-time employees



Cost:income ratio, %



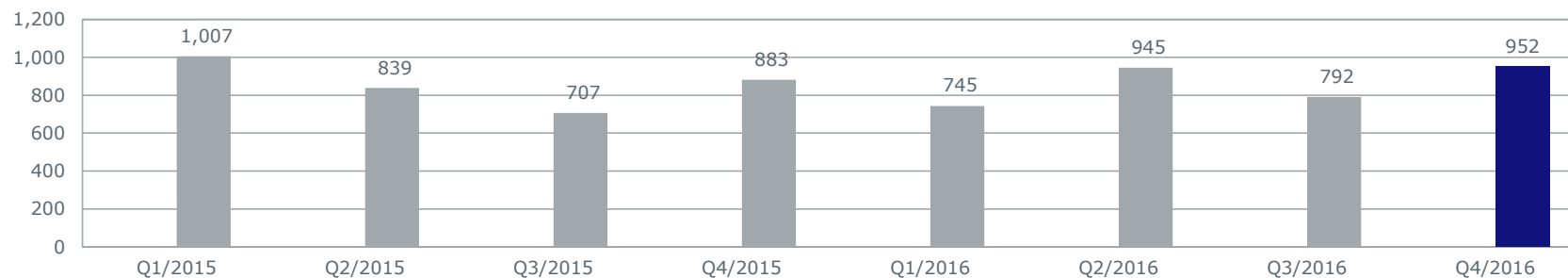
Note: Operating costs, depreciation and amortisation, excl mortgage business contribution to Resolution Fund and provisions for restructuring as % of core earnings from business operations

Results – the Nykredit Bank Group

The Nykredit Bank Group

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from					
Business operations	881	742	944	790	950
Securities	2	3	1	2	2
Income from core business	883	745	945	792	952
Operating costs, depreciation and amortisation	448	474	500	500	586
Value adjustment of associate	-	-	-	-	-
Profit from core business before impairment losses	435	271	445	292	366
Impairment losses on bank lending	(34)	(16)	(70)	27	(83)
Profit from core business	469	287	515	265	449
Legacy derivatives	129	(741)	(510)	66	423
Impairment of goodwill	9	-	-	-	-
Investment portfolio income	11	(5)	30	10	(1)
Profit (loss) before tax	600	(459)	35	341	872
Tax	137	(102)	(5)	74	194
Profit (loss) for the period	463	(357)	40	267	678

Income from core business Q4/2016, DKKm and previous quarters



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 Bank Group

The Nykredit Bank Group

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Assets					
Cash balance and receivables from credit institutions and central banks	13,425	20,304	37,410	35,409	35,723
Loans, advances and other receivables at fair value	39,467	34,963	30,350	24,871	30,091
Loans, advances and other receivables at amortised cost	46,747	48,972	49,554	53,115	55,003
Bonds at fair value and equities	40,412	42,688	38,144	41,167	42,576
Remaining assets	34,288	37,849	39,558	38,893	31,533
Total assets	174,339	184,777	195,016	193,456	194,926
Liabilities and equity					
Payables to credit institutions and central banks	34,957	41,552	40,205	47,668	51,606
Deposits and other payables	62,758	59,747	69,643	65,031	66,263
Bonds in issue at amortised cost	20,150	18,031	14,990	12,071	10,158
Other non-derivative financial liabilities at fair value	11,776	17,537	21,075	19,598	21,348
Remaining payables	28,267	31,868	33,081	32,805	26,546
Provisions	214	181	221	217	261
Subordinated debt	100	100	-	-	2,000
Equity	16,117	15,760	15,801	16,065	16,744
Total liabilities and equity	174,339	184,777	195,016	193,456	194,926

Nykredit Bank A/S

Supervisory diamond (calculated at parent level)

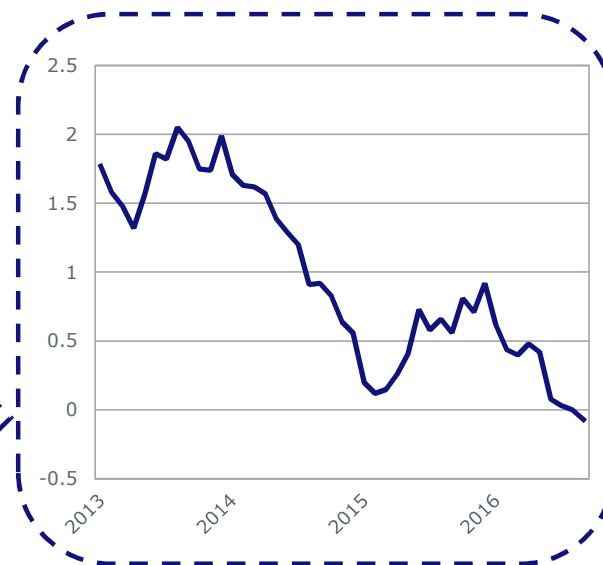
	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Lending growth (limit value <20%)	(7.5)	4,9	6.1	14.0	17.9
Large exposures (limit value <125%)	11.1	11,1	0.0	0.0	0.0
Property exposure (limit value <25%)	11.4	11,9	12.7	13.4	12.6
Funding ratio (limit value < 1.0%)	0.5	0,6	0.5	0.6	0.6
Excess liquidity coverage (limit value >50%)	346.5	213,2	246.5	241.4	264.7

Income from securities - the Nykredit Realkredit Group

Net income from securities

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from securities	10	11	11	12	13
Investment portfolio income	372	61	473	579	218
Total investment portfolio income through profit or loss	382	71	484	591	231
Investment portfolio income through equity	(261)	(29)	(149)	207	301
Total investment portfolio income	121	43	335	798	532
- of which bonds	374	81	371	482	174
- of which equity	(22)	(46)	53	90	42
- of which strategic equities	(261)	(10)	(107)	207	301
- of which others	30	18	18	20	15

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	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Net interest margin, %*					
The Nykredit Realkredit Group	0.84%	0.83%	0.78%	0.85%	0.91%
Impairment losses for the period as % of lending					
Mortgage lending	0.02%	(0.00%)	0.02%	0.02%	0.03%
Banking	(0.03%)	(0.02%)	(0.07%)	0.03%	(0.08%)
Write-offs, year to date					
Mortgage lending	1,011	197	479	682	969
Banking	649	95	239	266	314
Swaps	106	19	299	392	1,287
Total provisions for loan impairment					
Mortgage lending	5,694	5,471	5,494	5,605	5,751
Banking (including guarantees excluding financial institutions)	2,952	2,852	2,649	2,661	2,590
Swaps	5,088	5,723	6,101	5,978	4,160
Total provisions for loan impairment/write-offs					
Mortgage lending	5.6	27.8	11.5	8.2	5.9
Banking	4.5	30.0	11.1	10.0	8.2
Swaps	-	301.2	20.4	15.2	3.2

* Net interest margin has been annualized

Ratios

Year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Return on average equity, before tax, p.a., %	9.9%	5.4%	8.4%	12.7%	13.8%
Return from core business on average equity, p.a., %	7.0%	9.8%	8.7%	8.7%	7.7%
Return on assets, p.a. %	0.44%	0.20%	0.26%	0.33%	0.38%
Return on REA, %	5.50%	0.91%	1.44%	1.86%	2.14%

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.

Capital ratios and keyfigures

Capital ratios - The Nykredit Realkredit Group

%	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Total capital ratio, %	23.9%	24.0%	24.8%	22.0%	23.0%
Common Equity Tier 1 (CET1) capital ratio, %	19.4%	19.5%	20.2%	17.9%	18.8%
Leverage ratio, %*	4.4%	4.3%	4.4%	4.6%	4.6%

* Previous years not computed.

Exposure - weighted average risk weights (A-IRB method)

%	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Retail - Mortgage	12,6%	12,4%	12,4%	12,9%	12,6%
Commercial - Mortgage	24,1%	22,5%	22,4%	28,6%	27,8%
Total Mortgage	-	-	-	17,6%	17,1%
Retail - Banking	53,3%	53,4%	53%	42%	42,3%
Business - Banking	34,4%	36,1%	37,1%	70,1%	64,5%
Retail - Group	14,3%	14%	14%	14,1%	13,8%
Commercial - Group	26,1%	25,4%	25,7%	38,8%	37,2%

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

Ratios

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
The Nykredit Realkredit Group					
CET1, fully loaded ¹	60,257	60,458	61,360	63,926	65,635
Distance to MDA, not fully loaded ²	38,351	38,580	39,898	37,886	40,860
Distance to MDA, fully loaded ^{1, 3}	35,589	35,872	37,196	37,826	29,890
Available Distributable Items (ADI)	26,230	26,371	27,330	30,138	29,890 ⁴
Asset encumbrance (Q4/2016 figure based on Q1-Q3/2016)	84%	85%	84%	84%	84%
Nykredit Realkredit A/S					
Internal capital adequacy requirement, %	-	-	-	-	9.2%
CET1, fully loaded ¹	60,249	60,699	61,706	64,520	66,718
Distance to MDA, not fully loaded ²	34,465	35,085	36,238	36,090	40,978
Distance to MDA, fully loaded ^{1, 3}	32,453	33,174	34,416	36,034	28,839
Available Distributable Items (ADI)	27,427	28,039	28,470	29,375	19,856 ⁵

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 and that the CET1 requirement is 7.157% for Nykredit Realkredit Group and 6.597% for Nykredit Realkredit A/S.

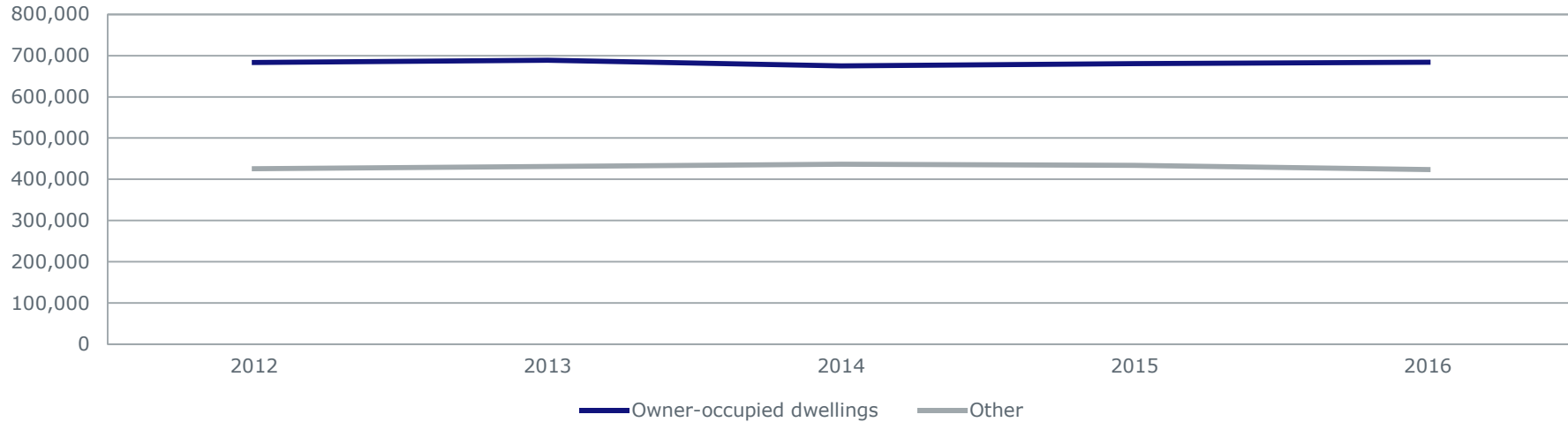
³ Maximum Distributable Amount (MDA): Estimated MDA buffers calculated under the assumption that AT1 and T2 requirements are covered by relevant capital instruments and that the CET1 requirement is 10.232% for Nykredit Realkredit Group and 9.672% for Nykredit Realkredit A/S (CET1 requirements are fully implemented except for countercyclical buffer and under the assumption that Pillar II level is equal to current level).

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 80.6bn. Maximum capital requirement is the transitional floor of DKK 48.3bn. However retained earnings amount to DKK 29.8bn and that is the maximum amount available for distribution.

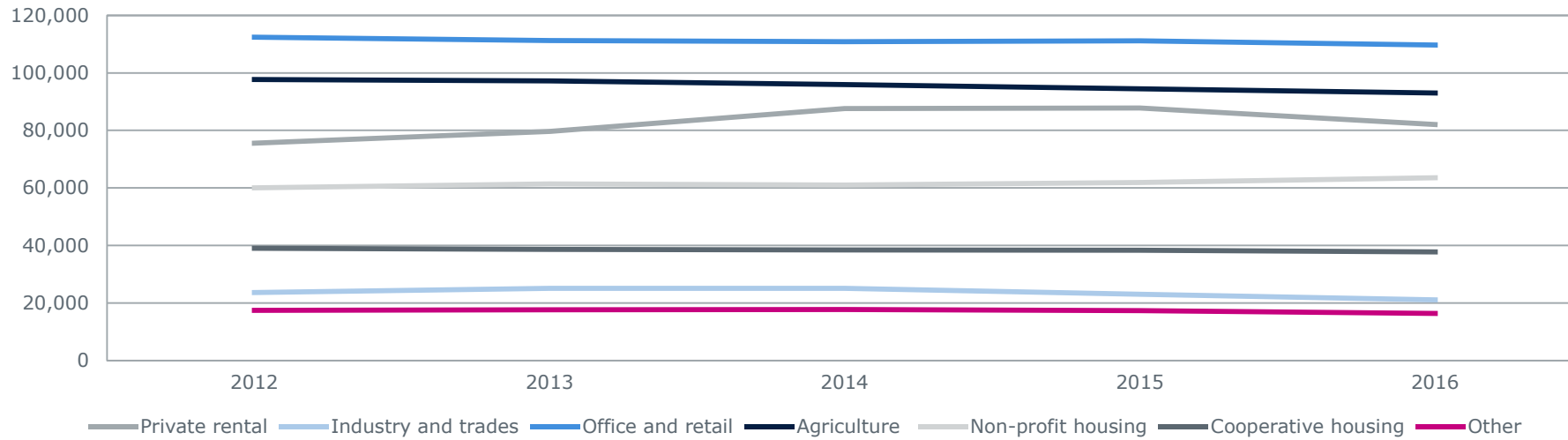
⁵ According to Danish legislation, capital cannot be distributed if dividend payments impair any regulatory capital requirements. Nykredit Realkredit A/S total capital amounts to DKK 81.4bn. Maximum capital requirement is the internal capital adequacy requirement (Pillar I and Pillar II) of DKK 36.0bn. However retained earnings amount to DKK 19.9bn and that is the maximum amount available for distribution.

Mortgage lending

Mortgage lending, nominal value, DKKm



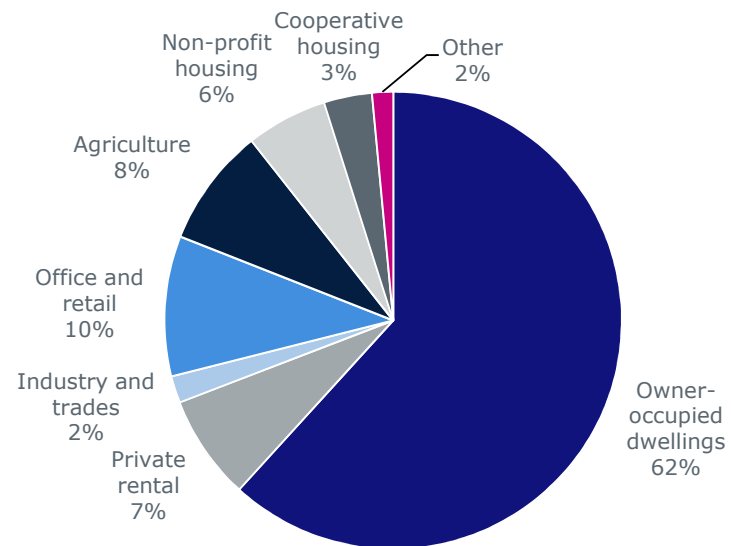
Mortgage lending by property type (excl.private residential property), nominal value,DKKm



Mortgage lending

Mortgage lending – by property type

DKK million, nominal value	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Average impairment losses Q1/2016 - Q4/2016	Average write-offs Q1/2016 - Q4/2016
Owner-occupied dwellings	680,401	680,790	683,344	682,357	683,759	0.03%	0.03%
Private rental	87,757	85,062	81,707	80,847	82,021	-0.14%	0.03%
Industry and trades	22,999	22,643	22,814	22,398	21,082	-0.41%	-0.06%
Office and retail	111,093	109,312	109,250	107,466	109,625	0.02%	0.04%
Agriculture	94,438	93,980	93,624	93,414	92,976	0.82%	0.14%
Non-profit housing	61,941	62,699	62,766	63,294	63,554	-0.17%	0.00%
Cooperative housing	38,318	38,082	37,908	37,708	37,731	-0.07%	0.00%
Other	17,374	17,145	16,972	16,759	16,386	-0.04%	0.05%
Total	1,114,321	1,109,712	1,108,385	1,104,242	1,107,135	0.07%	0.04%



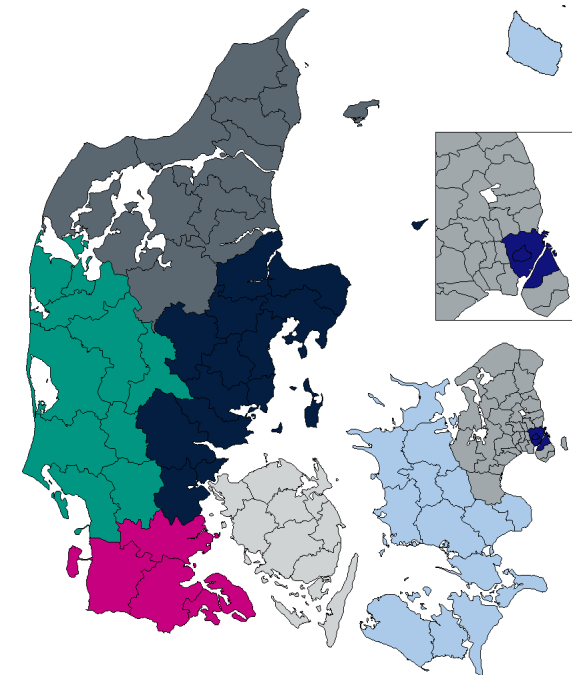
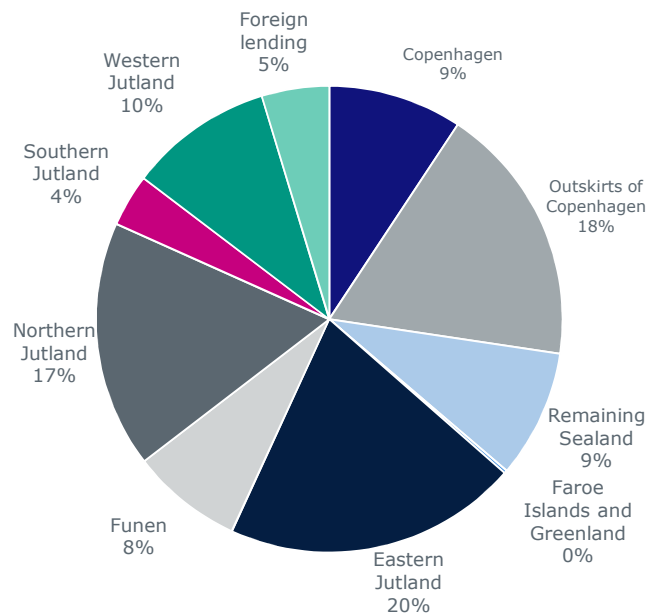
Note: The breakdown by property type is not directly comparable with the Group's business areas. Impairment losses and write-offs has been annualized for the calculation of average impairment losses and average write-offs.

Mortgage lending

Mortgage lending at nominal value by geography

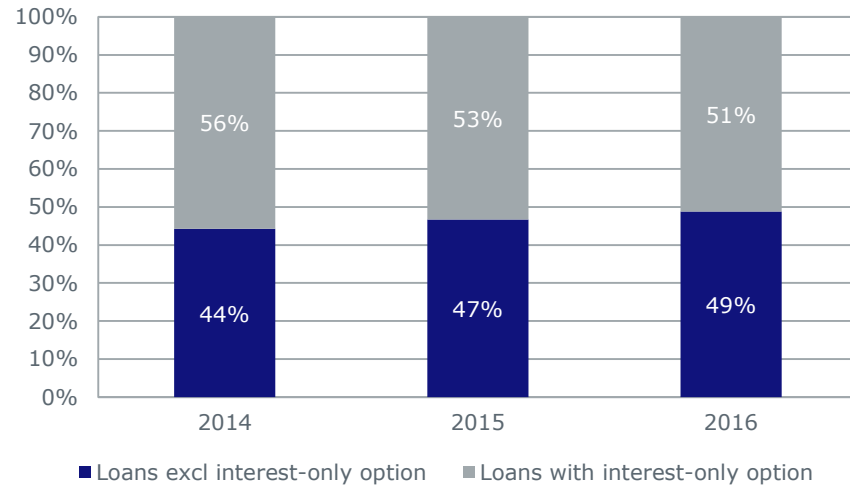
DKK billion	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Copenhagen	101	101	101	101	103
Outskirts of Copenhagen	199	200	200	199	200
Remaining Sealand	100	99	99	99	98
Faroe Islands and Greenland	2	2	2	2	2
Eastern Jutland	225	225	226	225	226
Funen	86	88	86	86	85
Northern Jutland	190	190	190	190	189
Southern Jutland	41	40	41	40	40
Western Jutland	112	109	111	111	110
Foreign lending	58	55	52	51	52

Q4/2016 (DKK billion)

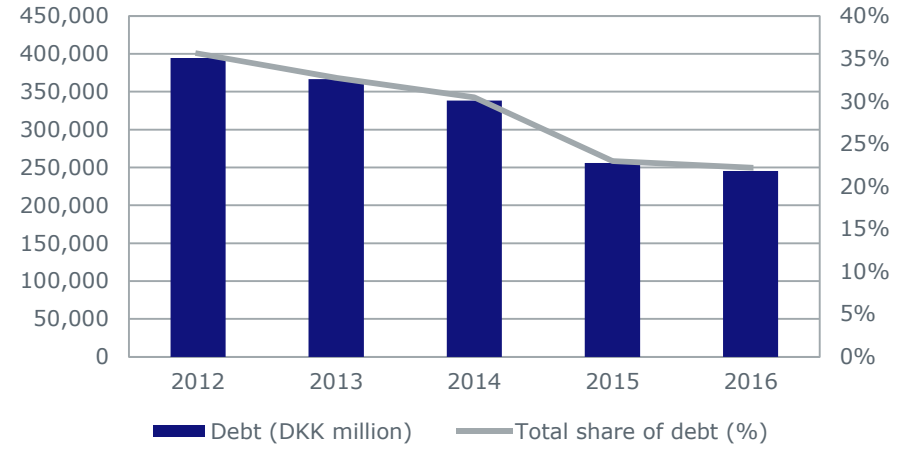


Mortgage lending

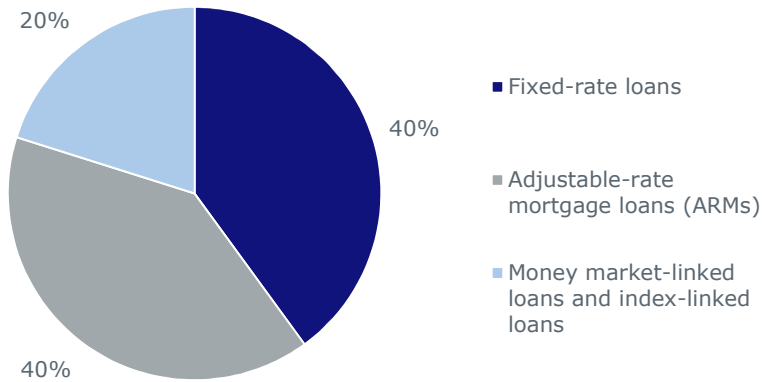
Bond dept outstanding by loan and interest type, all segments



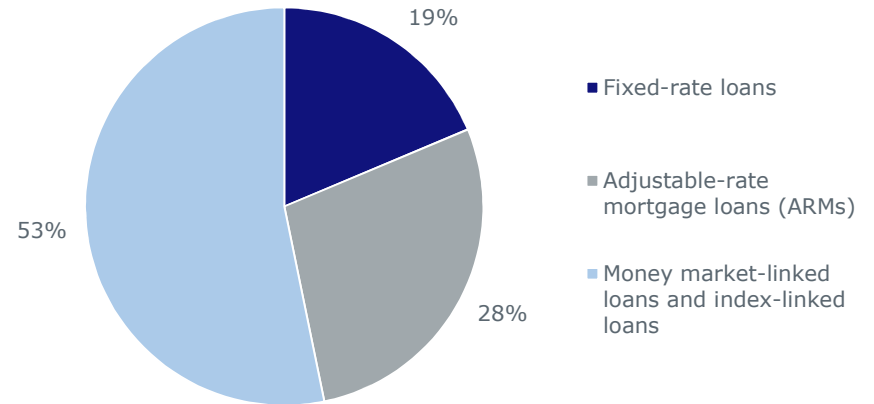
Variable-rate loans with refinancing within one year (ARMs, money marked-linked and index-linked), debt outstanding with maturity less than 1 year, all segments, variable-rate loans.



Mortgage lending by loan type, private residential properties, 2016

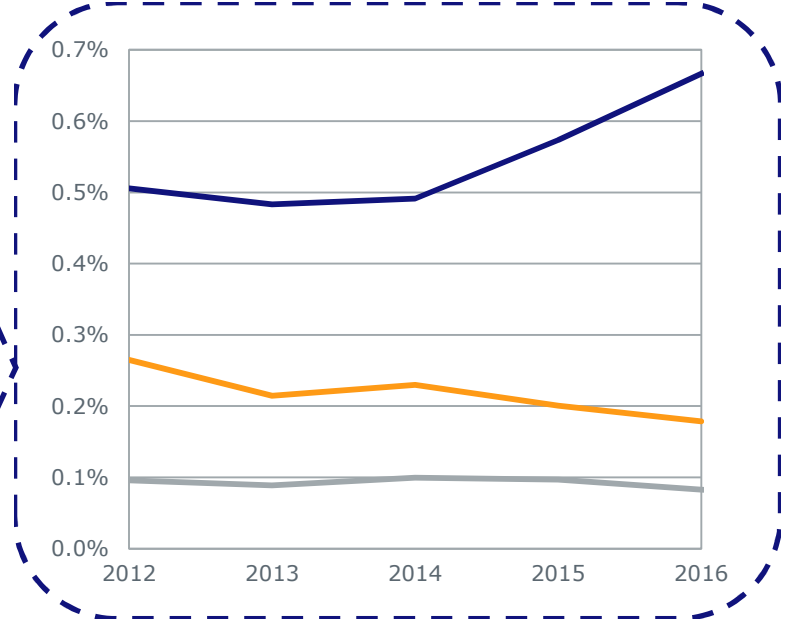
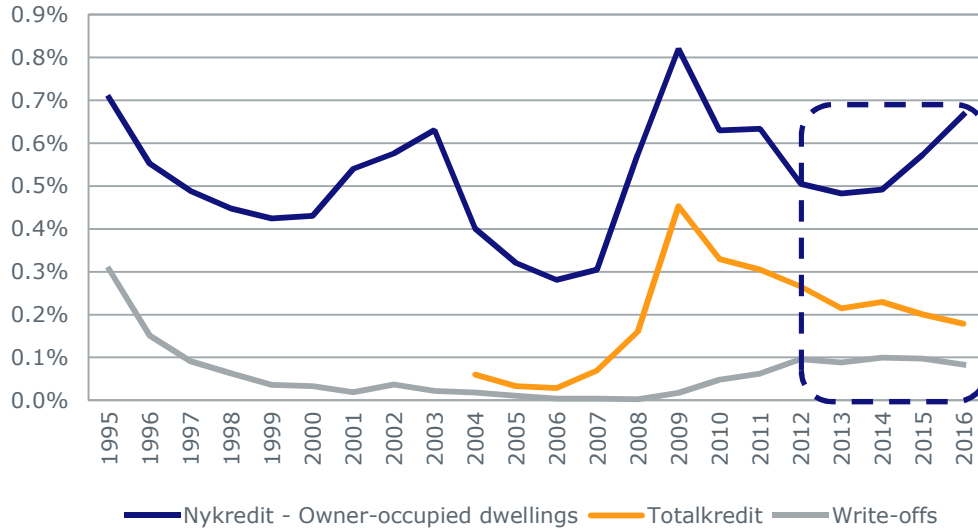


Mortgage lending by loan type, commercial, 2016



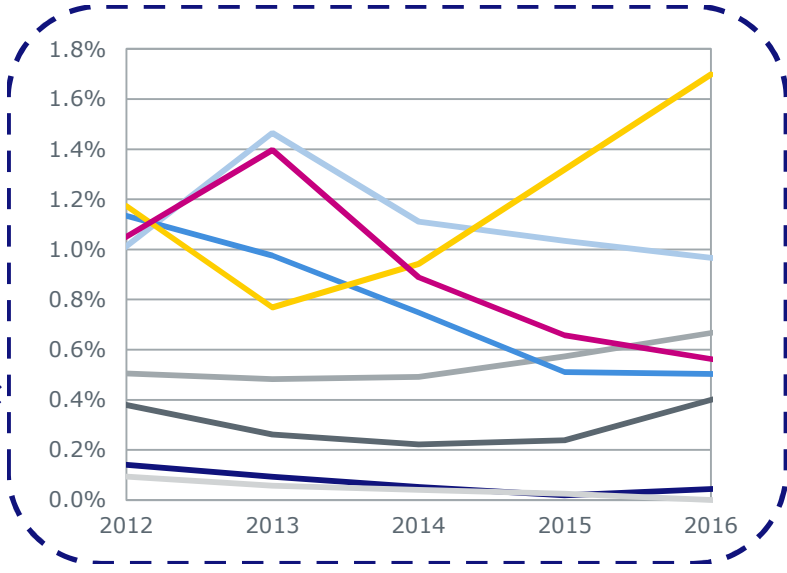
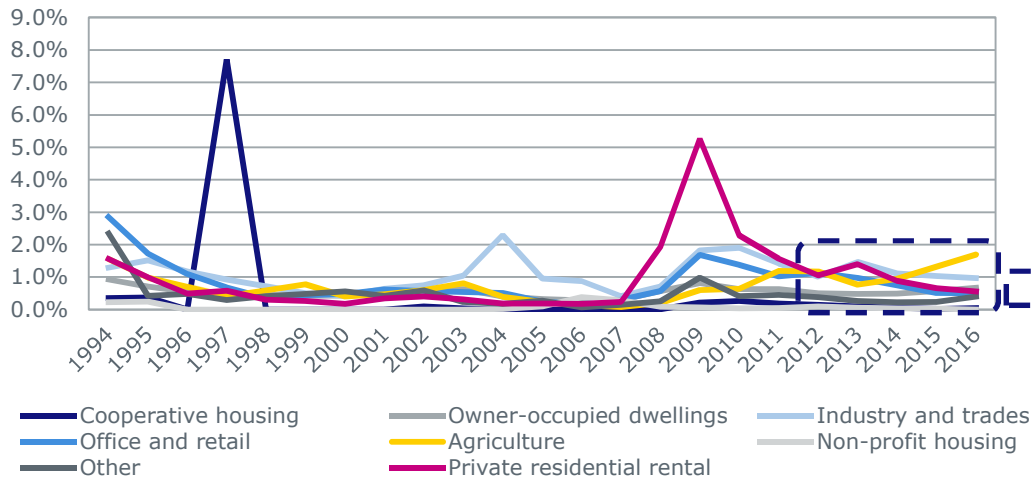
Arrears – mortgage lending

Arrears - 75 days past due, %



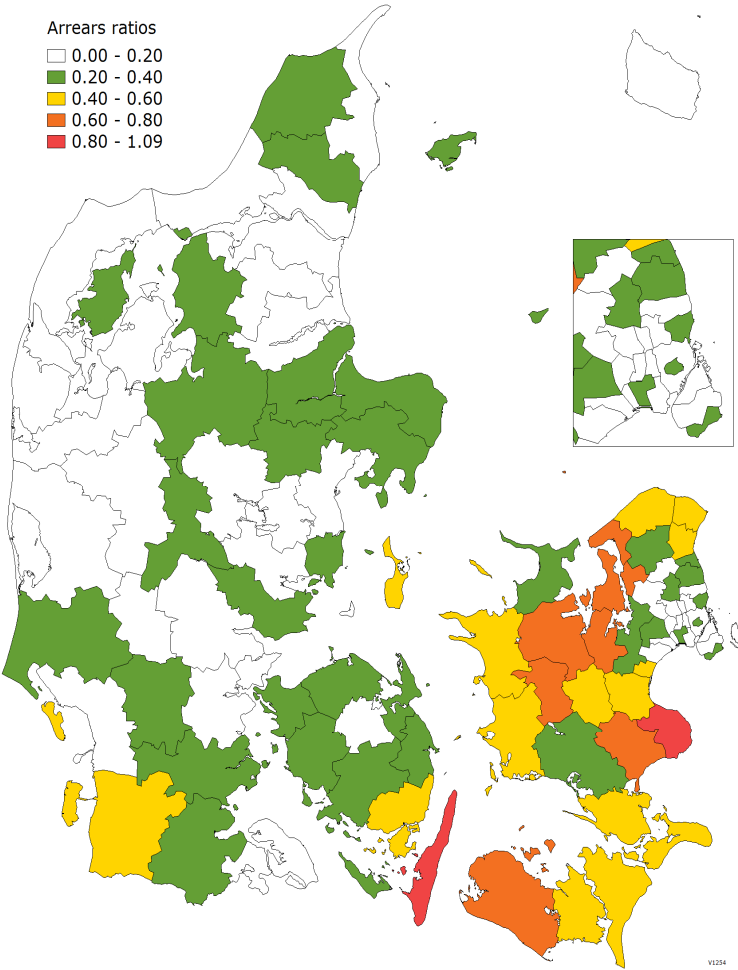
Note: Totalkredit has been consolidated with Nykredit Realkredit from 10 November 2003.
2016 write-offs has not been annualized.

Arrears, 75 days past due, %

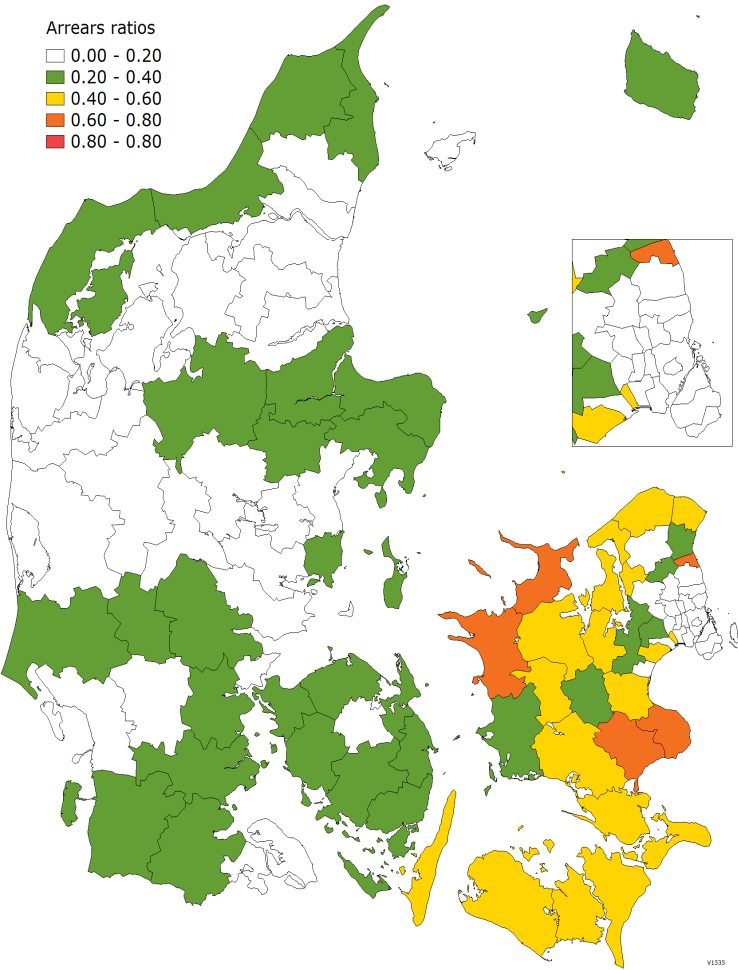


Geographical distribution of arrears/total mortgage lending – owner-occupied dwellings, mortgage lending

75 day-arrears, end of year 2015

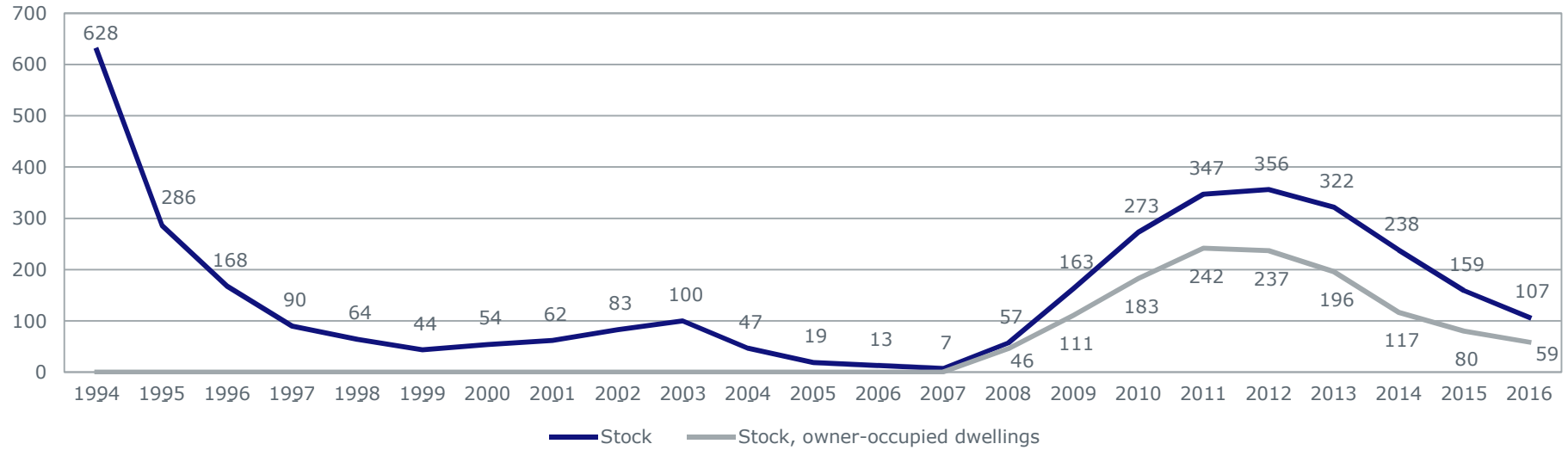


75 day-arrears, end of year 2016

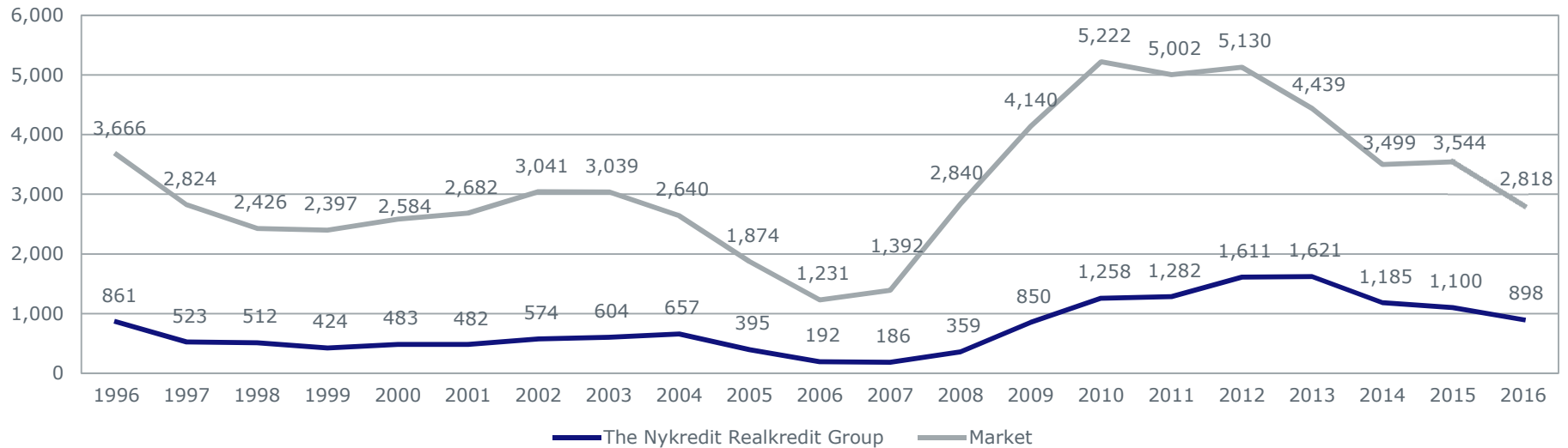


Repossessed properties and forced sales

Repossessions in Denmark, The Nykredit Realkredit Group



Forced sales in Denmark



Risk relating to mortgage lending

Debt outstanding relative to estimated property values, continuous distribution Q4/2016 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
								%	%
Owner-occupied dwellings	419,786	160,466	93,350	15,320	3,669	-	692,592	32	70
Private rental	77,675	26,093	11,319	2,528	1,049	-	118,663	29	65
Industry and trades	16,934	3,191	468	219	245	-	21,056	22	50
Office and retail	84,963	20,820	3,173	878	528	-	110,363	24	53
Agriculture	67,603	18,534	7,034	1,749	519	-	95,439	26	59
Other	13,159	2,496	723	69	80	-	16,527	22	50
Total Q4 2016	680,121	231,599	116,067	20,763	6,091	70,052	1,124,693	29	64
Total Q4 2015	672,531	234,022	116,041	22,317	6,986	67,204	1,119,101	30	65

3,4% of total lending is outside statutory LTV limits

Debt outstanding relative to estimated property values, Q4/2016 continuous distribution, The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Owner-occupied dwellings	61	23	13	2	1
Private rental	65	22	10	2	1
Industry and trades	80	15	2	1	1
Office and retail	77	19	3	1	0
Agriculture	71	19	7	2	1
Other	80	15	4	0	0
Total Q4 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, Q4/2016

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
								%	%
Owner-occupied dwellings	73,108	156,677	298,983	133,520	30,305	-	692,592	32	70
Private rental	31,991	43,194	28,396	9,573	5,508	-	118,663	29	65
Industry and trades	8,461	10,226	1,237	382	749	-	21,056	22	50
Office and retail	47,262	47,698	9,959	3,114	2,332	-	110,363	24	53
Agriculture	40,841	31,869	15,446	5,223	2,061	-	95,439	26	59
Other	9,196	5,103	1,786	225	218	-	16,527	22	50
Total Q4/2016	210,858	294,767	355,806	152,036	41,173	70,052	1,124,693	29	64
Total Q4/2015	201,739	305,198	356,392	142,556	46,012	67,204	1,119,101	30	65

19,71% of total lending is outside statutory LTV limits

Debt outstanding distributed by the top part relative to estimated property values, Q3/2016, The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Owner-occupied dwellings	11	23	43	19	4
Private rental	27	36	24	8	5
Industry and trades	40	49	6	2	4
Office and retail	43	43	9	3	2
Agriculture	43	33	16	5	2
Other	56	31	11	1	1
Total Q4/2016	20	28	34	14	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%.

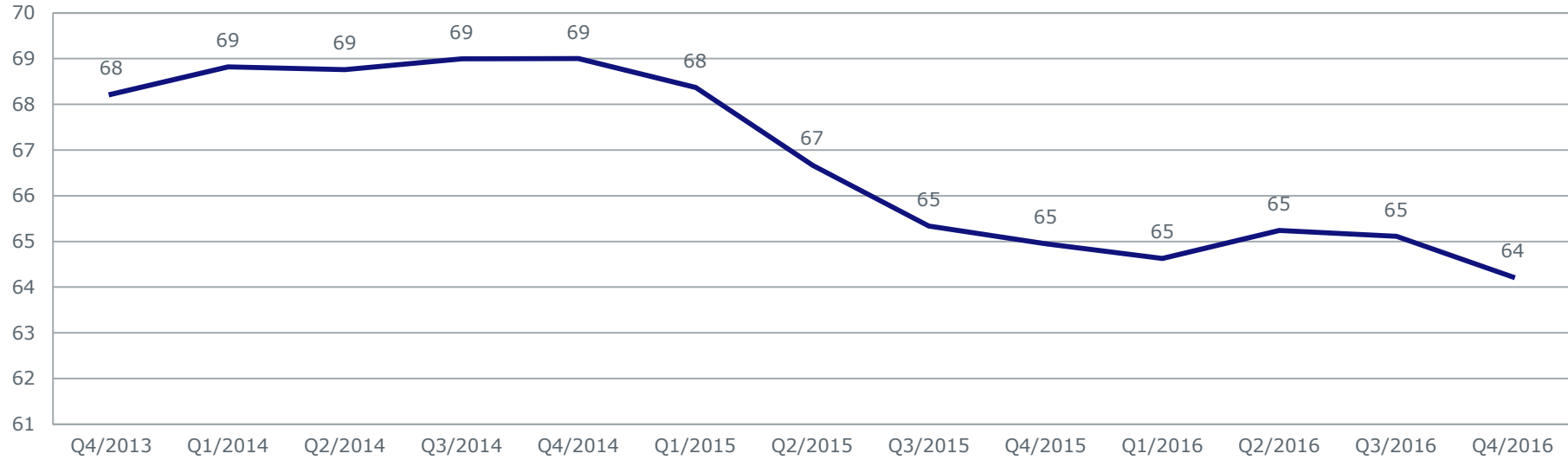
(**) The LTV limit may be extended up to 70% against supplementary collateral for the part in excess in 60%.

Statutory LTV limits by property category

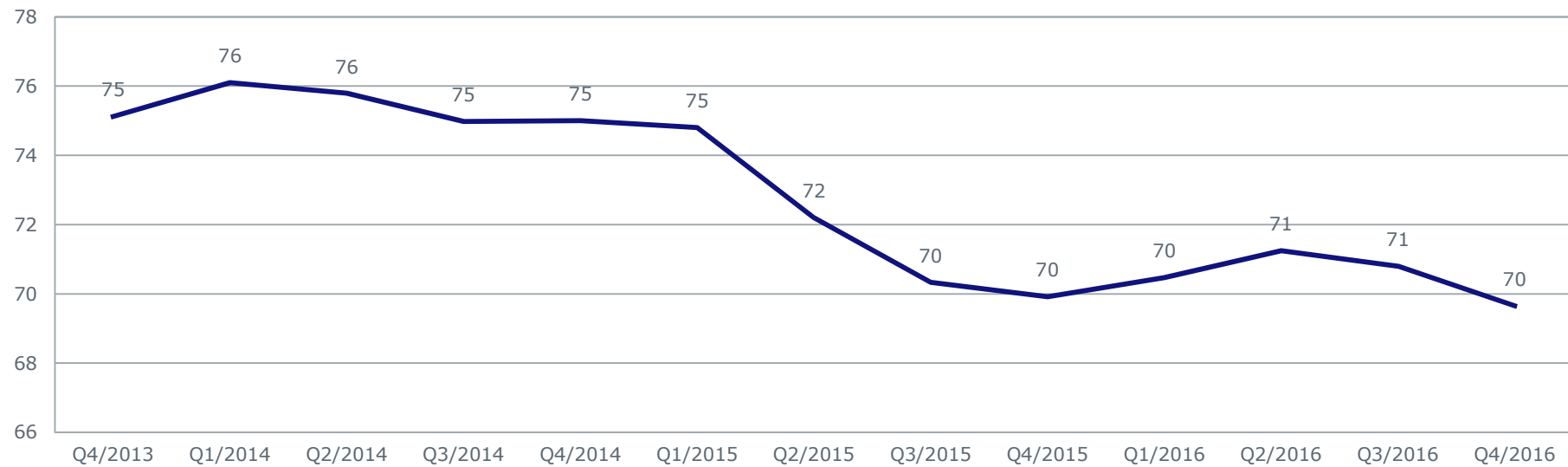
Private residential property for all-year habitation	80%*
Private cooperative housing	80%
Private residential rental properties	80%
Non-profit housing	80%
Youth housing	80%
Senior housing	80%
Properties used for social, cultural or educational purposes	60%
Holiday homes	60%
Agricultural and forestry 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, %

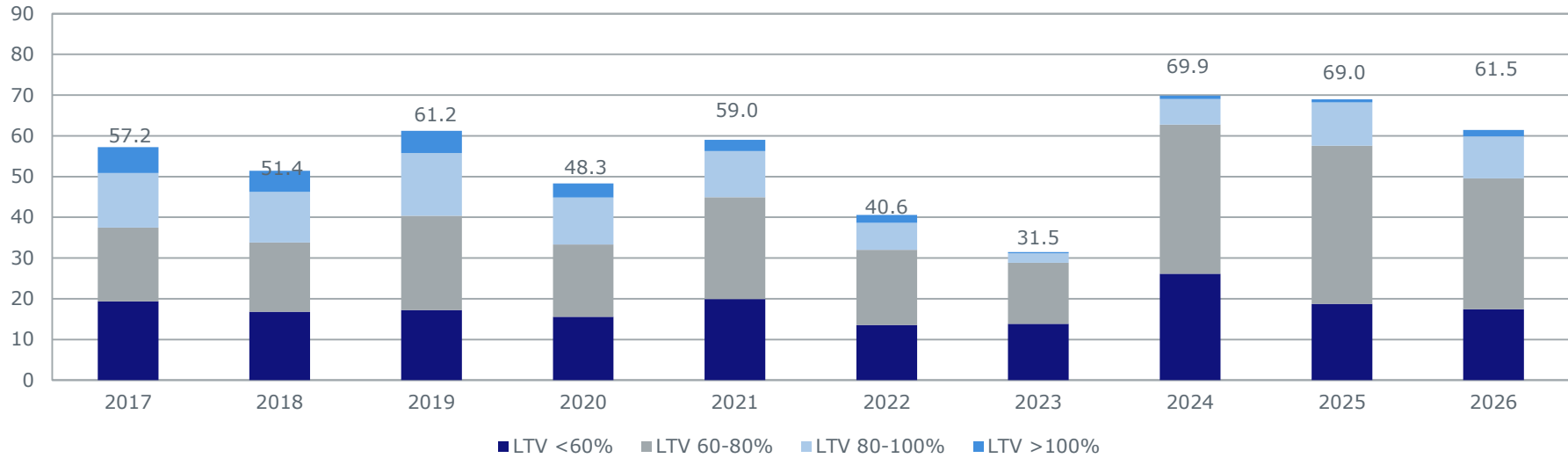


Average LTV - private residential properties, %

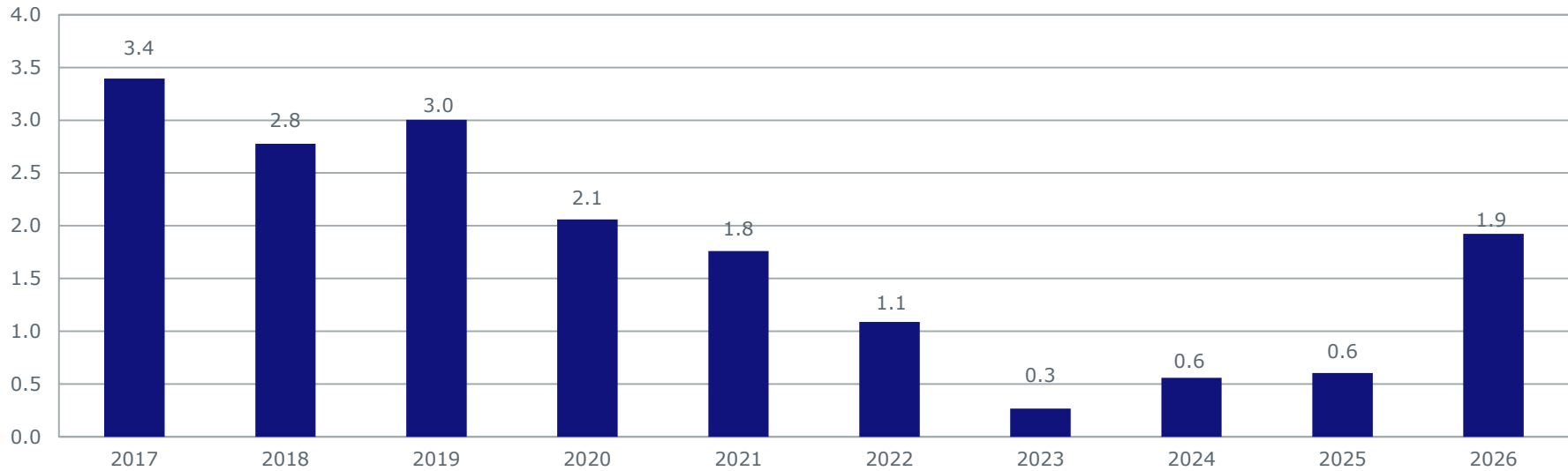


Expiry of interest-only period – mortgage lending

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



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

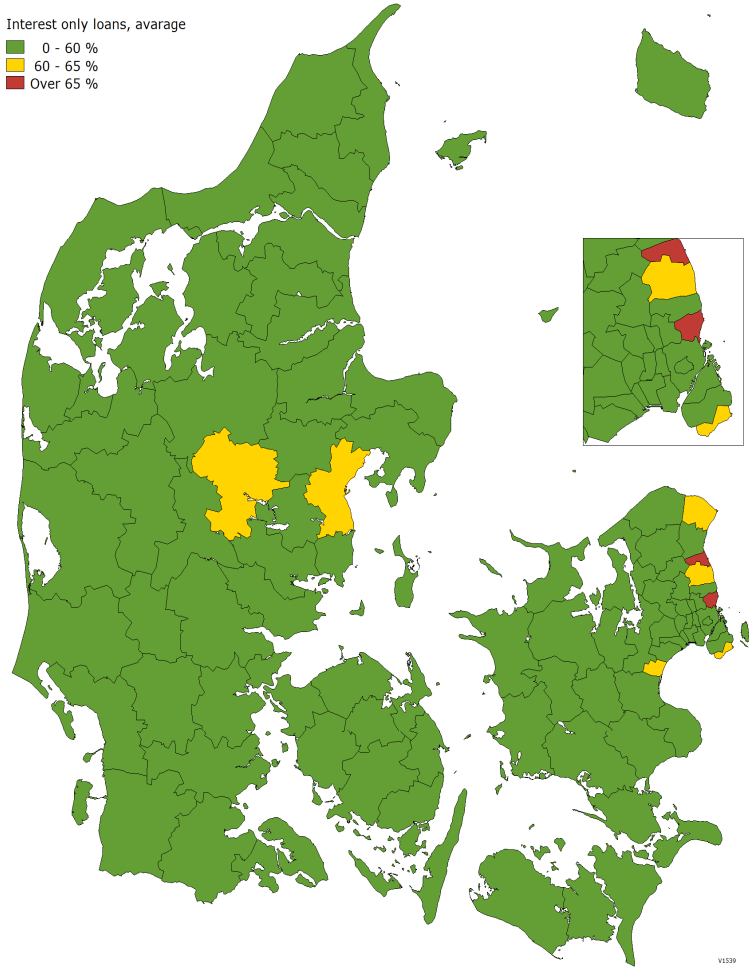


Interest-only loans prevalent where LTVs are low

LTV ratios, end of year 2016



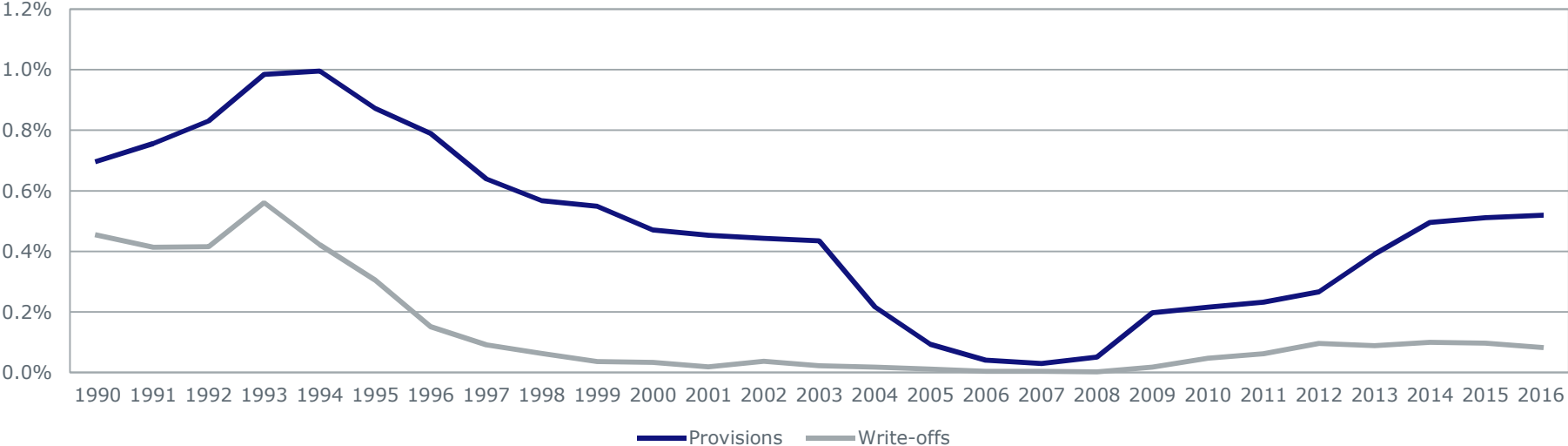
Distribution of interest-only loans, end of year 2016



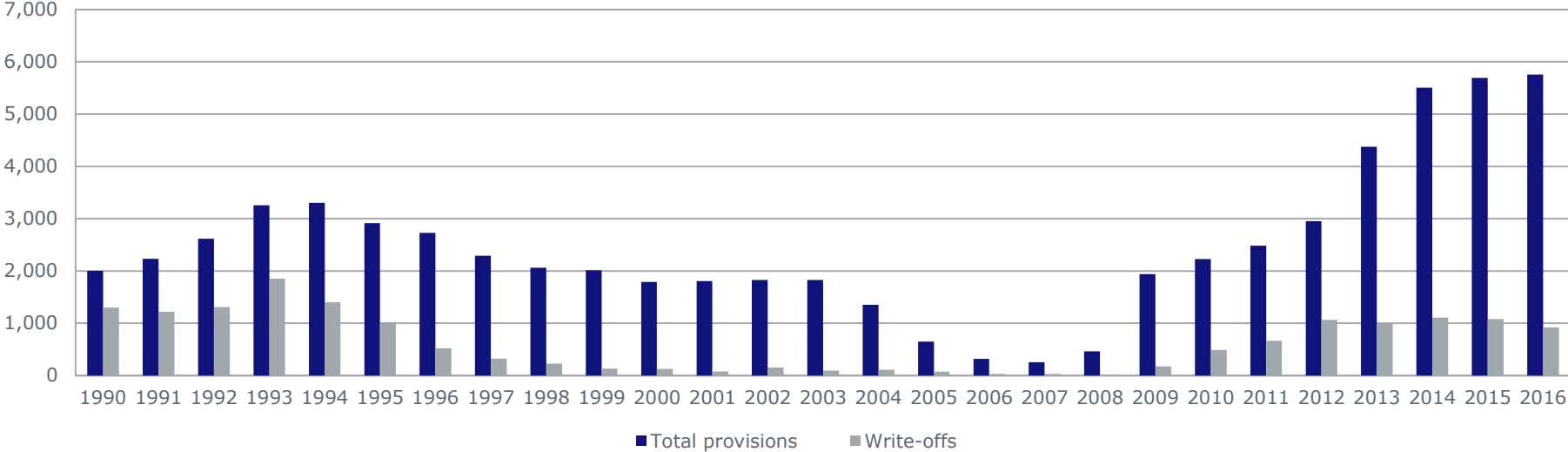
Note: Private residential lending in municipalities with above 80% LTVs and low marketability (above national average of 200 days on market) amounts to 6,3% of total private residential mortgage lending at end-Q3 2016

Impairment provisions and write-offs – mortgage lending

Provisions and write-offs as % of loans and advances



Impairment provisions and write-offs, DKKm



Impairment provisions and losses – mortgage lending

Total impairment provisions – by property type

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Owner-occupied dwellings	888	854	854	1,028	990
Private rental	586	557	544	453	533
Industry and trades	242	229	230	211	188
Office and retail	517	475	455	449	529
Agriculture	1,096	1,049	1,233	1,306	1,447
Non-profit housing	40	38	36	40	802
Cooperative housing	886	857	815	815	32
Other	96	99	101	104	99
Total Nykredit Realkredit	4,351	4,158	4,269	4,405	4,620
Totalkredit	1,339	1,313	1,226	1,200	1,130
Total impairment provisions from mortgage lending	5,690	5,471	5,494	5,611	5,751

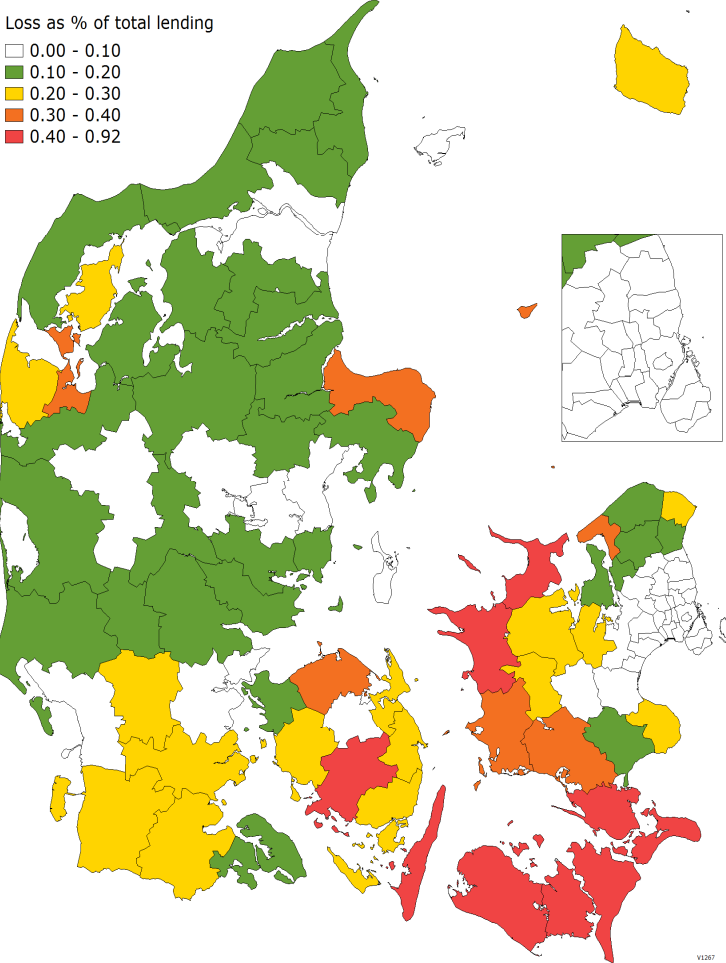
Note: Provisions include individual and collective provisions (including provisions from management judgement)

Impairment losses – by property type

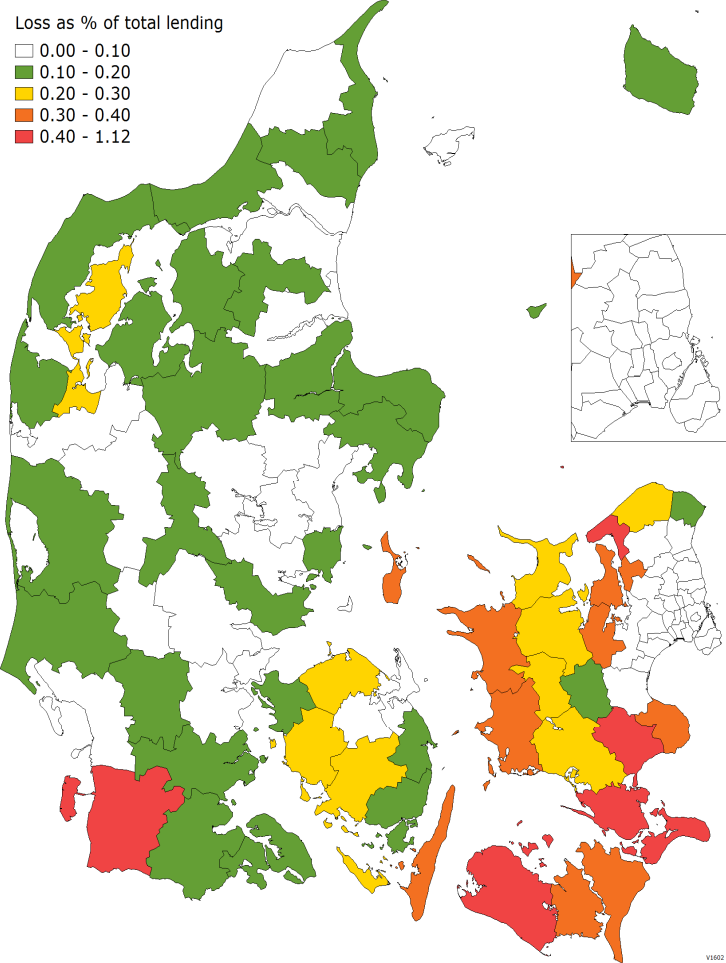
DKK million, year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Owner-occupied dwellings	108	1	46	250	197
Private rental	174	(18)	(38)	(128)	(67)
Industry and trades	43	(19)	(20)	(45)	(70)
Office and retail	106	(10)	(24)	(3)	35
Agriculture	342	6	230	325	628
Non-profit housing	(57)	(32)	(71)	2	(79)
Cooperative housing	(126)	(2)	(6)	(71)	(8)
Other	(2)	(3)	(2)	2	(6)
Total Nykredit Realkredit	586	(78)	166	378	770
Totalkredit	884	100	119	211	153
Total impairment losses from mortgage lending	1,470	21	284	589	923
Set-offs, Totalkredit	(349)	(57)	(124)	(179)	(240)
Total impairment losses from mortgage lending after set-offs	1,121	(36)	160	410	682

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, end of year 2015



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



Write-offs – mortgage lending

Write-offs after set-offs – by property type

DKK million, year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Owner-occupied dwellings	152	34	74	107	93
Private rental	94	7	24	28	26
Industry and trades	136	(7)	(7)	(14)	(23)
Office and retail	136	36	44	71	39
Agriculture	67	54	119	133	227
Non-profit housing	(8)	-	-	2	7
Cooperative housing	-	(0)	(2)	-	0
Other	25	8	9	10	7
Total Nykredit Realkredit	602	131	310	383	516
Totalkredit	807	123	221	350	361
Total write-offs from mortgage lending	1,409	254	531	733	877
Set-offs, Totalkredit	(349)	(57)	(124)	(179)	(240)
Total write-offs from mortgage lending after set-offs	1,060	197	407	554	637

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

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

Loans, advances and guarantees – bank lending

Loans and advances

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Public sector	240	236	383	379	446
Agriculture, hunting and forestry	1,785	1,880	1,957	2,016	2,091
Other corporate	72,565	70,277	66,312	64,361	70,352
Total commercial	74,350	72,157	68,269	66,377	72,443
Personal customers	11,624	11,543	11,253	11,230	12,205
Total	86,214	83,936	79,905	77,986	85,094

Guarantees

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Public sector	56	17	18	0	151
Agriculture, hunting and forestry	599	533	550	775	570
Other corporate	6,055	5,970	5,640	5,980	6,473
Total commercial	6,654	6,503	6,190	6,755	7,043
Personal customers	8,470	7,095	7,480	8,773	9,958
Total	15,180	13,615	13,688	15,528	17,152



Provisions – bank lending

Provisions for individual loan impairments and guarantees

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Public sector	-	-	-	-	-
Agriculture, hunting and forestry	89	77	83	84	85
Other corporate	2,189	2,053	1,877	1,833	1,786
Total commercial	2,278	2,130	1,960	1,917	1,871
Personal customers	533	569	556	588	588
Total	2,811	2,699	2,516	2,505	2,459

Collective impairment provisions

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Public sector	-	-	-	-	-
Agriculture, hunting and forestry	13	14	20	37	10
Other corporate	75	90	72	81	88
Total commercial	88	104	92	118	98
Personal customers	53	47	41	38	33
Total	141	151	133	156	131

Total impairment provisions

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Public sector	-	-	-	-	-
Agriculture, hunting and forestry	102	91	103	121	95
Other corporate	2,264	2,143	1,949	1,914	1,874
Total commercial	2,366	2,234	2,052	2,035	1,969
Personal customers	586	616	597	626	621
Total	2,952	2,850	2,649	2,661	2,590

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	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Total impairment provisions, rating 0 (DKK million)	42	56	535	32	547
Bond debt outstanding with OEI (DKK million)	14,732	13,840	13,642	12,774	13,213
Total bond debt outstanding (DKK million)	1,114,324	1,109,712	1,108,385	1,104,245	1,107,135
Bond debt outstanding with OEI/total bond debt	1.3%	1.2%	1.2%	1.2%	1.2%

Non-performing loans (rating -1)

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Total impairment provisions, NPL (DKK million)	3,173	2,948	3,321	3,115	3,689
Bond debt outstanding, NPL (DKK million)	25,474	24,836	24,591	25,715	25,074
Total bond debt outstanding (DKK million)	1,114,324	1,109,712	1,108,385	1,104,245	1,107,135
Bond debt outstanding, NPL/total bond debt	2.3%	2.2%	2.2%	2.3%	2.3%



Non-performing loans (NPL) – bank lending

Non performing bank loans (rating NPL)

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Individual impairment provisions	2,711	2,602	2,451	2,455	2,406
Non-performing loans of which loans and advances subject to individual impairment provisioning	4,092	3,849	3,624	3,462	3,493
Individual impairment provisions as % of loans and advances subject to individual impairment provisioning	66.3%	67.6%	67.6%	70.9%	68.9%

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, derivatives, fixed-rate swaps and step-up interest rate instruments Q4/2016

DKK billion / %	Negative market value	Total impairment provisions*	Total impairment provision as %
Housing cooperatives	6.6	3.0	46%
Agriculture	1.3	0.3	27%
Other	7.6	0.8	11%
Total	15.5	4.2	27%

* 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 Nykredit Asset Management, Nykredit Portefølje Administration and Private Banking Elite.
Group Items	Comprises income and costs not allocated to the business areas as well as core income from securities and investment portfolio income.

Core income – business areas

Core income – business areas

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income					
Retail	1,588	1,480	1,494	1,544	1,649
Totalcredit Partners	544	638	589	797	812
Wholesale clients	649	467	579	533	536
*Wealth Management	-	155	184	172	196
Group items	(4)	(16)	(19)	(86)	7
Income from core business	2,776	2,724	2,829	2,958	3,200

*Wealth Management is included in Wholesale Clients prior to 2016

Lending and deposits – business areas

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Mortgage lending (nominal)					
Retail	435,913	432,506	429,538	425,224	421,601
-of which Nykredit Realkredit	361,459	355,874	351,473	343,903	337,888
-of which Totalcredit	74,454	76,632	78,065	81,321	83,713
Totalcredit Partners	494,250	495,778	499,543	500,320	503,767
Wholesale clients	180,846	178,050	175,778	174,278	176,405
Wealth Management	3,312	3,378	3,526	4,419	5,362
Total mortgage lending	1,114,321	1,109,712	1,108,385	1,104,240	1,107,135
Bank lending					
Retail	27,054	27,590	27,721	28,741	30,079
Wholesale clients	17,763	18,762	18,656	20,582	21,554
Wealth Management	1,922	2,063	2,289	2,341	2,603
Group items	8	557	888	1,452	767
Total bank lending	46,747	48,972	49,554	53,115	55,003
Deposits					
Retail	40,799	41,360	43,628	42,983	43,037
Wholesale clients	13,700	10,475	15,028	11,680	12,207
Wealth Management	7,828	6,787	8,564	7,646	9,522
Group items	272	961	2,327	2,591	649
Total deposits	62,599	59,583	69,547	64,900	65,415

Business areas – Retail

Result – Retail

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from					
Business operations	1,616	1,505	1,517	1,575	1,670
Senior debt	(27)	(25)	(23)	(30)	(22)
Income from core business	1,588	1,480	1,494	1,545	1,649
Total costs	911	790	821	829	870
Profit from core business before impairment losses	678	689	674	717	778
Impairment losses on mortgage lending	265	(25)	289	217	429
Impairment losses on bank lending	(52)	(3)	5	66	(26)
Profit from core business	465	717	379	434	375

Activity – Retail

DKK million, year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Mortgage lending					
Gross new lending	78,379	12,036	24,051	38,396	57,189
Portfolio at nominal value, end of period	435,916	432,506	429,538	425,224	421,601
Impairment losses for the period as % of lending	0.17%	-0.01%	0.06%	0.11%	0.22%
Total impairment provisions, end of period					
Individual impairment provisions	2,556	2,472	2,548	2,736	2,784
Collective impairment provisions	1,369	1,313	1,383	1,344	1,562
Total impairment provisions as % of lending	0.90%	0.88%	0.92%	0.96%	1.03%
Banking					
Lending, end of period	27,054	27,590	27,721	28,741	30,079
Deposits, end of period	40,799	41,360	43,628	42,983	43,037
Impairment losses for the period as % of lending*	0.21%	-0.01%	0.04%	0.24%	0.15%
Total impairment provisions, end of period					
Individual impairment provisions	1,696	1,631	1,596	1,632	1,628
Collective impairment provisions	88	85	84	103	87
Total impairment provisions as % of lending	6.19%	5.86%	5.71%	5.69%	5.39%
Guarantees, end of period	4,342	3,980	4,212	4,567	4,510
Provisions for guarantees, end of period	44	48	39	43	43

*Including impairment losses from guarantees

Business areas – Totalkredit Partners

Result – Totalkredit partners

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from					
Business operations	580	672	628	836	836
Senior debt	(35)	(34)	(38)	(39)	(25)
Income from core business	544	638	589	797	812
Total costs	117	137	145	134	160
Profit from core business before impairment losses	427	502	444	663	652
Impairment losses on mortgage lending	40	25	(16)	16	(14)
Profit from core business	387	478	460	647	666

Activity – Totalkredit partners

DKK million, year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Mortgage lending					
Gross new lending	137,478	17,226	39,444	79,791	107,713
Portfolio at nominal value, end of period	494,250	495,778	499,543	500,320	503,767
Impairment losses for the period as % of lending	0.08%	0.00%	0.00%	0.00%	0.00%
Total impairment provisions, end of period					
Individual impairment provisions	502	470	448	491	483
Collective impairment provisions	729	715	639	562	504
Total impairment provisions as % of lending	0.25%	0.24%	0.22%	0.21%	0.20%

Business areas – Wholesale clients

Result – Wholesale clients

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from					
Business operations	652	469	581	536	538
Senior debt	(2)	(2)	(2)	(2)	(2)
Income from core business	649	467	579	533	536
Total costs	174	172	164	156	160
Profit from core business before impairment losses	475	294	415	378	376
Impairment losses on mortgage lending	(46)	(33)	(26)	(1)	(39)
Impairment losses on bank lending	18	(40)	(68)	(34)	(49)
Profit from core business	503	367	509	413	465

Activity – Wholesale clients

DKK million, year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Mortgage lending					
Gross new lending	36,578	5,231	13,098	17,287	28,047
Portfolio at nominal value, end of period	180,846	178,050	175,778	174,278	176,405
Impairment losses for the period as % of lending	(0.06%)	(0.02%)	(0.03%)	(0.03%)	(0.06%)
Total impairment provisions, end of period					
Individual impairment provisions	454	416	404	380	330
Collective impairment provisions	82	80	70	89	85
Total impairment provisions as % of lending	0.29%	0.28%	0.26%	0.27%	0.24%
Banking					
Lending, end of period	17,762	18,762	18,657	20,582	21,554
Deposits, end of period	13,700	10,475	15,030	11,678	12,207
Impairment losses for the period as % of lending*	(0.92%)	(0.19%)	(0.42%)	(0.46%)	(0.67%)
Total impairment provisions, end of period					
Individual impairment provisions	958	860	801	776	762
Collective impairment provisions	53	66	48	52	43
Total impairment provisions as % of lending	5.39%	4.84%	4.49%	3.97%	3.60%
Guarantees, end of period	1,565	1,559	1,471	1,465	1,445
Provisions for guarantees, end of period	55	50	25	7	9

*Including impairment losses from guarantees

*Asset management is included in 2015.

Business areas – Wealth Management

Result – Wealth Management

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from					
Business operations	-	155	184	172	196
Senior debt	-	-	(0)	(0)	(0)
Income from core business	-	155	184	172	196
Total costs	-	97	97	98	117
Profit from core business before impairment losses	-	58	87	74	79
Impairment losses on mortgage lending	-	(1)	(0)	0	0
Impairment losses on bank lending	-	26	(2)	(4)	(5)
Profit from core business	-	33	89	78	84

Activity – Wealth Management

DKK million, year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Assets under management	143,812	142,752	149,575	154,407	157,056
Assets under administration					
Nykredit Portefølje Administration A/S	700,372	696,541	726,162	748,695	786,549
of which the investment funds of the Nykredit Group	66,394	66,647	67,874	72,816	74,648

*Wealth Management is included in Wholesale Clients prior to 2016

Business areas – Group items

Result – Group items

DKK million	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Core income from					
Business operations	48	30	22	(7)	44
Senior and subordinated debt	(62)	(57)	(51)	(92)	(50)
Securities	10	11	11	12	13
Income from core business	(4)	(16)	(19)	(86)	7
Total costs	186	3	8	32	270
Profit from core business before impairment losses	(189)	(19)	(27)	(118)	(263)
Impairment losses on mortgage lending	-	-	-	-	-
Impairment losses on bank lending	-	-	(6)	-	-
Profit from core business	(189)	(19)	(21)	(118)	(263)

Activity – Group items

DKK million, year to date	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016
Banking					
Lending, end of period	8	557	888	1,451	767
Deposits, end of period	272	961	2,327	2,590	649
Total impairment provisions, end of period					
Individual impairment provisions	53	53	-	-	-
Collective impairment provisions	-	-	-	-	-
Total impairment provisions as % of lending	86.49%	8.69%	-	-	-
Guarantees, end of period	708	706	171	216	190

The Danish economy

Nykredit's regional housing price forecasts

%	2014	2015	2016	2017F	2018F
Houses – Denmark	1.8	6.5	3.7	3.8	2.9
Copenhagen	8.1	10.1	4.9	4.2	4.0
North Sealand	3.6	7.6	4.0	4.1	3.0
East Sealand	3.1	8.1	5.9	5.8	3.5
West and South Sealand	(2.0)	7.7	2.5	4.3	2.9
Bornholm	1.4	2.9	8.6	3.7	3.0
Funen	(0.5)	4.8	3.5	4.4	2.7
South Jutland	(0.0)	4.2	0.7	1.7	2.4
East Jutland	(0.3)	7.0	2.5	3.3	2.9
West Jutland	(0.2)	1.1	1.9	2.6	2.2
North Jutland	0.9	4.2	4.6	4.8	2.5
Owner-occupied flats – Denmark	5.3	10.6	7.7	5.5	4.1
Copenhagen	7.5	12.8	9.3	7.8	4.9
Municipality of Aarhus	5.0	10.4	5.2	4.6	4.6
Holiday homes - Denmark	(2.5)	1.5	(0.0)	2.2	2.0

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)	1.3%	0.2%	0.9%	1.7%	1.6%
Inflation	2.8%	2.4%	0.8%	0.6%	0.5%
Public deficit as % of nominal GDP	(2.1%)	(3.5%)	(1.0%)	1.4%	(1.3%)
*Balance of payment as % of nominal GDP	6.6%	6.3%	7.8%	8.9%	9.2%
Net unemployment	4.0%	4.5%	4.4%	4.0%	3.8%
Government net foreign assets (DKKm)	512,523	685,518	719,851	872,367	689,660

Note: Actual 2016 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 2016 (Økonomisk Redegørelse, december 2016), pp 63-141 (in Danish), of the Danish Ministry of Economics and Interior (<http://www.oim.dk/publikationer/2016/dec/oekonomisk-redegoerelse-december-2016/>)

* The balance of payments as a percentage of nominal GDP has been revised for Q3/2016 and is consequently no longer comparable with Fact Books from and earlier than Q3/2016.

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.

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