

# Fact Book Q1/2017

The Nykredit Realkredit Group

Unaudited

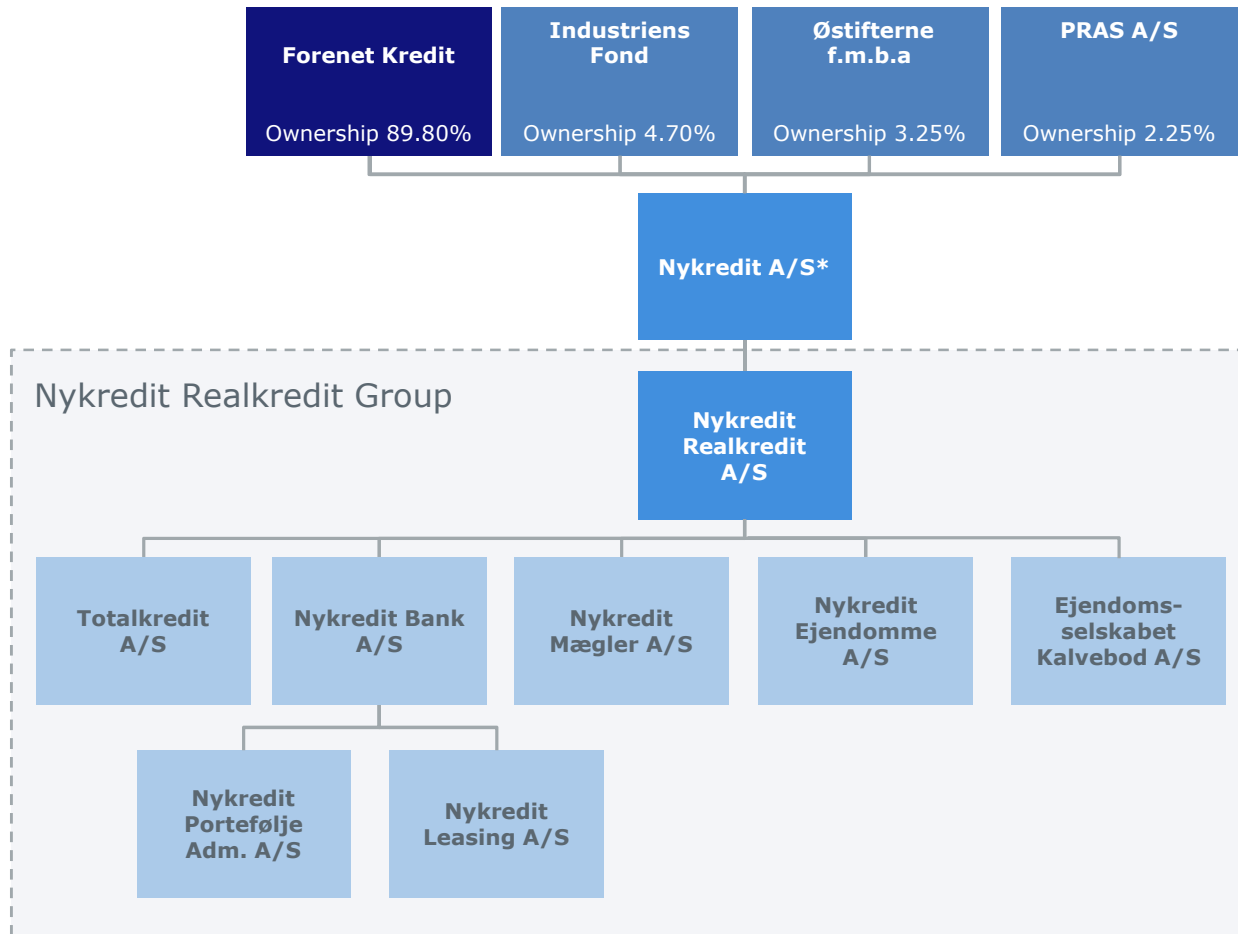


**Nykredit**

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# Group chart



\* Former Nykredit Holding A/S

# Contacts and other information

**Morten Bækmand Nielsen**

**Head of Investor Relations**

**Tel: +45 44 55 15 21**

**Mobile: +45 23 39 41 68**

**E-mail: mobn@nykredit.dk**



**Erik Holbek**

**Chief Investor Relations Manager**

**Tel: +45 44 55 49 87**

**Mobile: +45 22 22 20 94**

**E-mail: ehol@nykredit.dk**



## **Our investor website [www.nykredit.com/ir](http://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

## Forenet Kredit

Forenet Kredit (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
<b>Covered bonds</b>		
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	
<b>Senior secured bonds (junior covered bonds)</b>		
Capital Centre D (JCB senior secured debt (section 15 bonds))	AA-	
Capital Centre H (JCB senior secured debt (section 15 bonds))	AA-	
<b>Unsecured debt</b>		
Short-term senior unsecured debt	A-1	F1
Long-term senior unsecured debt	A	A
Senior Resolution Notes	BBB+	A
<b>Capital instruments</b>		
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	

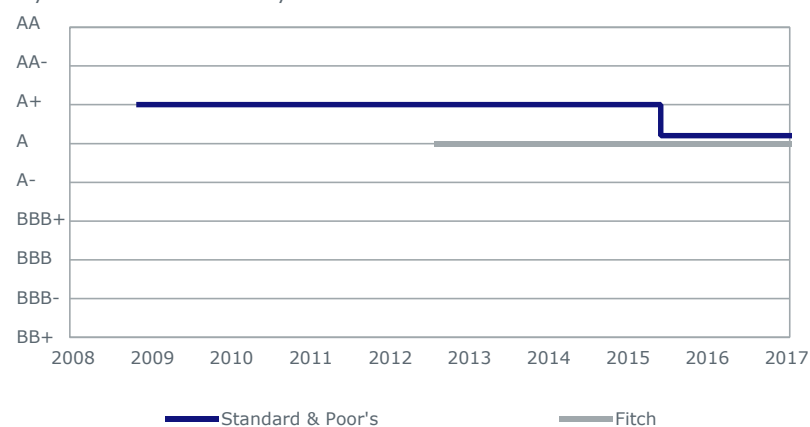
## Nykredit Bank A/S

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

## Rating history

Long term senior unsecured debt

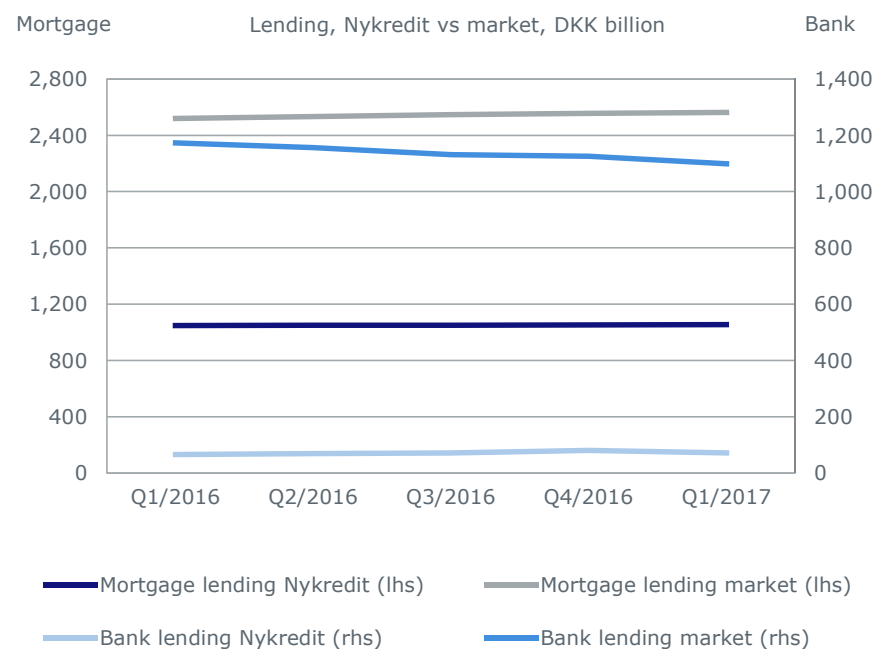
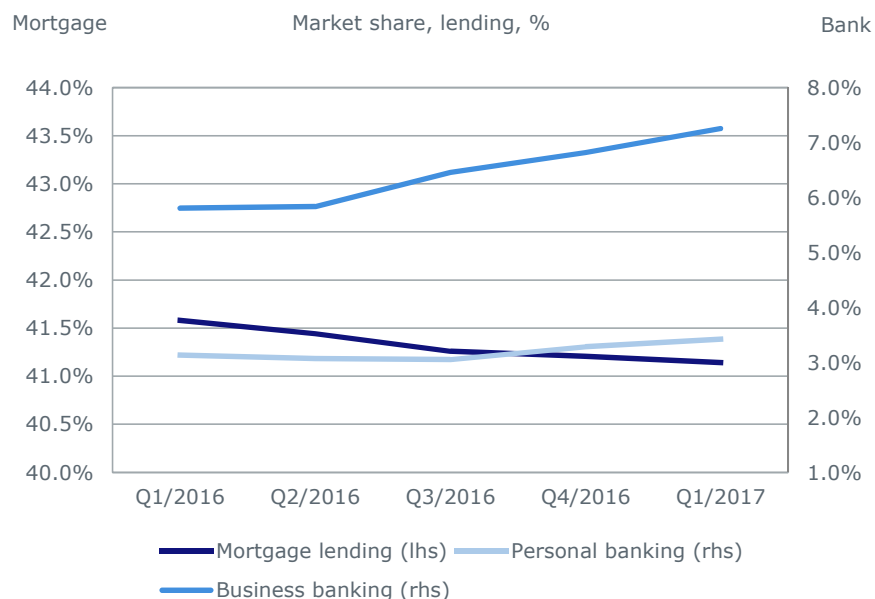
Nykredit Realkredit and Nykredit



# Market share – lending

## Market share\*

DKK billion	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Business banking	26	27	29	31	33
Personal banking	13	13	13	14	14
Mortgage lending	1,049	1,050	1,051	1,053	1,054
<b>Total</b>	<b>1,062</b>	<b>1,063</b>	<b>1,064</b>	<b>1,067</b>	<b>1,068</b>
<b>Market share</b>					
Business banking	5.8%	5.8%	6.5%	6.8%	7.3%
Personal banking	3.1%	3.1%	3.1%	3.3%	3.4%
Mortgage lending	41.6%	41.4%	41.3%	41.2%	41.1%
<b>Total</b>	<b>30.2%</b>	<b>30.3%</b>	<b>30.5%</b>	<b>30.8%</b>	<b>30.8%</b>



\*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	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income from</b>					
Business operations	2,831	2,932	3,110	3,285	3,450
Senior and subordinated debt	(118)	(115)	(164)	(98)	(129)
Securities	11	11	12	13	22
<b>Income from core business</b>	<b>2,724</b>	<b>2,828</b>	<b>2,958</b>	<b>3,200</b>	<b>3,343</b>
Operating costs, depreciation and amortisation	1,199	1,235	1,249	1,576	1,178
<b>Profit from core business before impairment losses</b>	<b>1,525</b>	<b>1,593</b>	<b>1,709</b>	<b>1,624</b>	<b>2,165</b>
Impairment losses on mortgage lending	(35)	246	232	377	33
Impairment losses on bank lending	(16)	(70)	28	(82)	(54)
<b>Profit from core business</b>	<b>1,576</b>	<b>1,417</b>	<b>1,449</b>	<b>1,329</b>	<b>2,186</b>
Legacy derivatives	(741)	(510)	66	422	337
Gain on sale of owner-occupied properties	-	-	-	369	-
Impairment of goodwill and customer relationships	-	-	-	-	-
Investment portfolio income	60	473	580	218	465
Investment portfolio income, capital gains from the sale of strategic equities	-	-	-	-	-
<b>Profit (loss) before tax</b>	<b>895</b>	<b>1,380</b>	<b>2,095</b>	<b>2,338</b>	<b>2,988</b>
Tax	191	282	435	472	639
<b>Profit (loss) for the period</b>	<b>704</b>	<b>1,098</b>	<b>1,660</b>	<b>1,866</b>	<b>2,349</b>
Minority interests	-	1	-	(2)	-
<b>Profit for the period excluding minority interests</b>	<b>704</b>	<b>1,097</b>	<b>1,660</b>	<b>1,868</b>	<b>2,349</b>

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

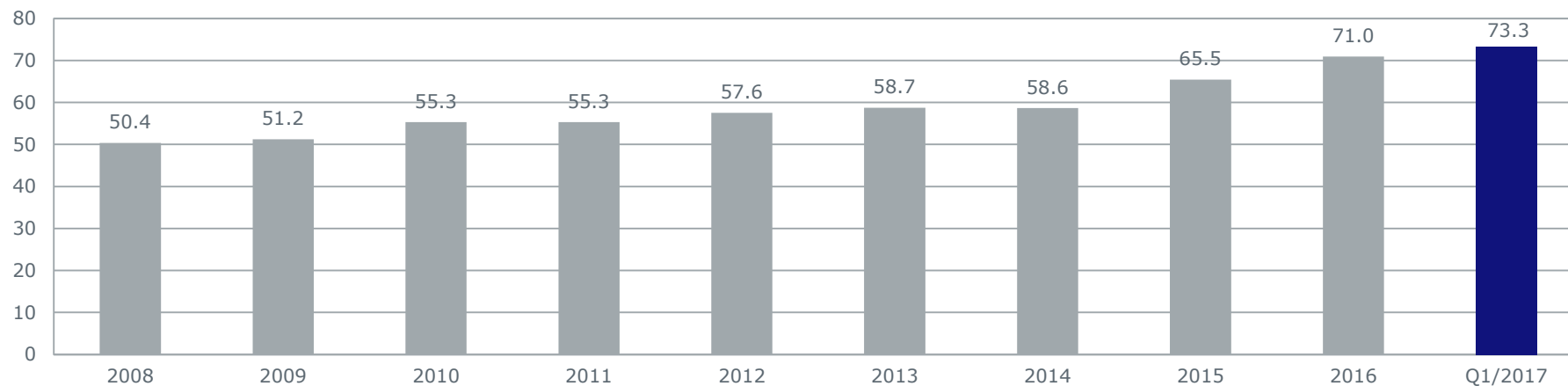


# Balance sheet summary – the Nykredit Realkredit Group

## The Nykredit Realkredit Group

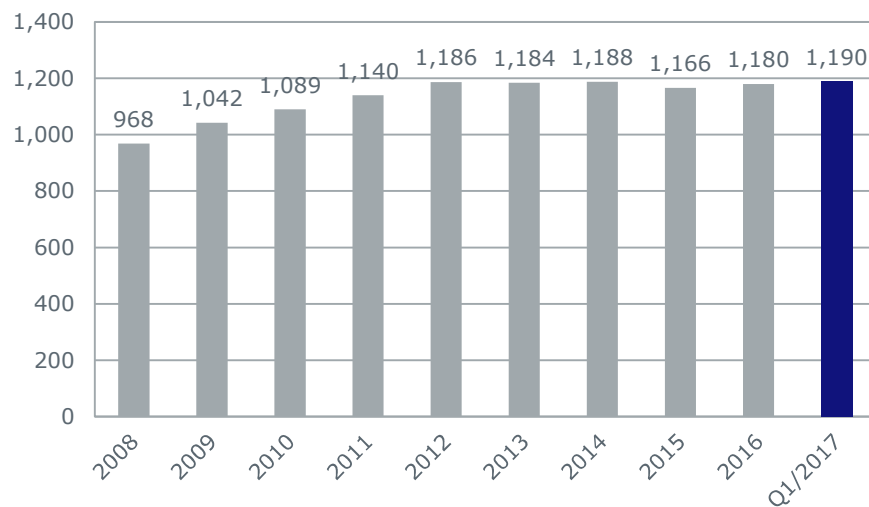
DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Assets</b>					
Receivables from credit institutions and central banks	28,798	43,706	41,685	34,829	40,240
Mortgage loans at fair value	1,122,218	1,127,725	1,127,516	1,124,693	1,133,497
Bank lending - excl reverse transactions	48,972	49,554	53,115	55,003	56,256
Bonds and equities	116,892	106,387	108,574	116,555	103,043
Remaining assets	83,278	79,922	74,910	69,525	57,180
<b>Total assets</b>	<b>1,400,157</b>	<b>1,407,294</b>	<b>1,405,800</b>	<b>1,400,606</b>	<b>1,390,216</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	44,015	28,131	19,362	21,681	17,885
Deposits	59,583	69,547	64,897	65,415	67,733
Bonds in issue at fair value	1,135,251	1,142,561	1,151,669	1,152,383	1,146,919
Subordinated debt	11,240	11,260	11,276	11,078	11,010
Remaining liabilities	83,931	88,778	89,720	79,092	73,372
Equity	66,137	67,017	68,877	70,957	73,297
<b>Total liabilities and equity</b>	<b>1,400,157</b>	<b>1,407,294</b>	<b>1,405,800</b>	<b>1,400,606</b>	<b>1,390,216</b>

### Equity, DKKbn

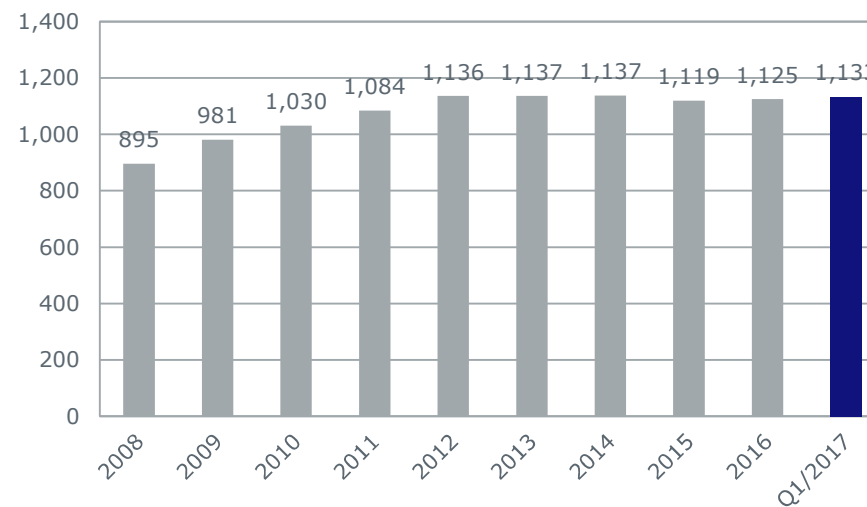


# Balance sheet summary – the Nykredit Realkredit Group

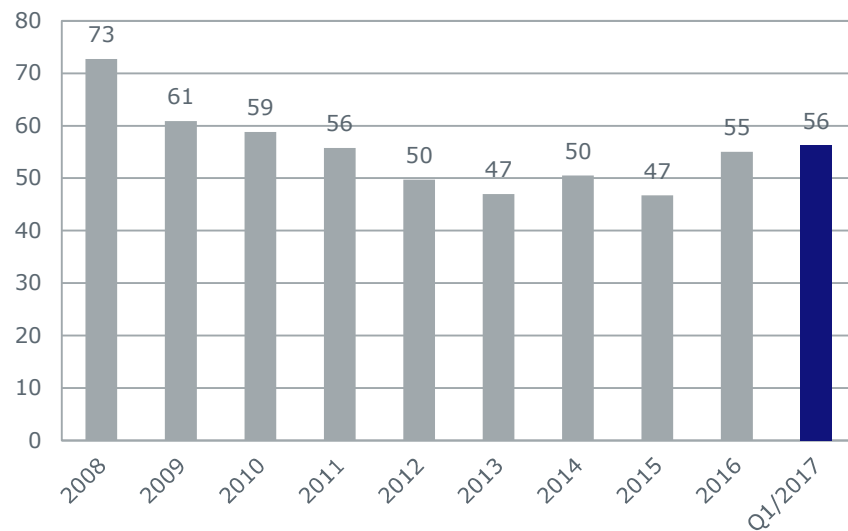
Total lending, DKKbn



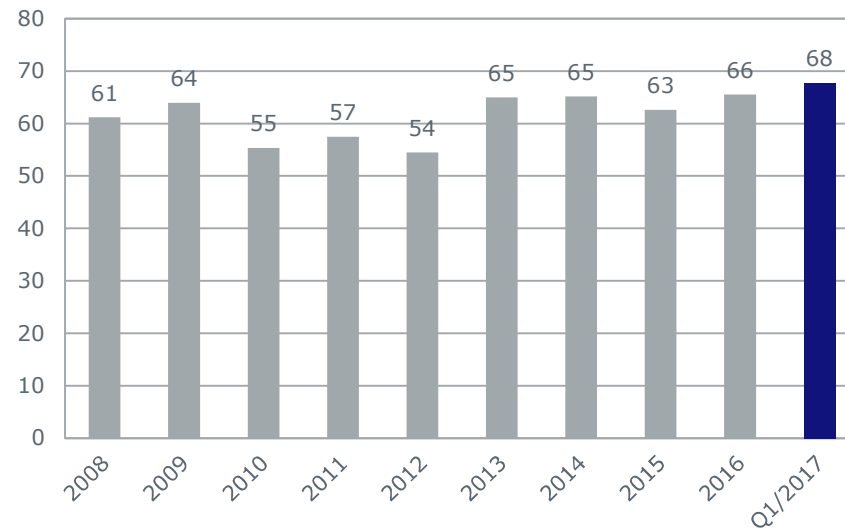
Mortgage lending, DKKbn



Bank lending, DKKbn



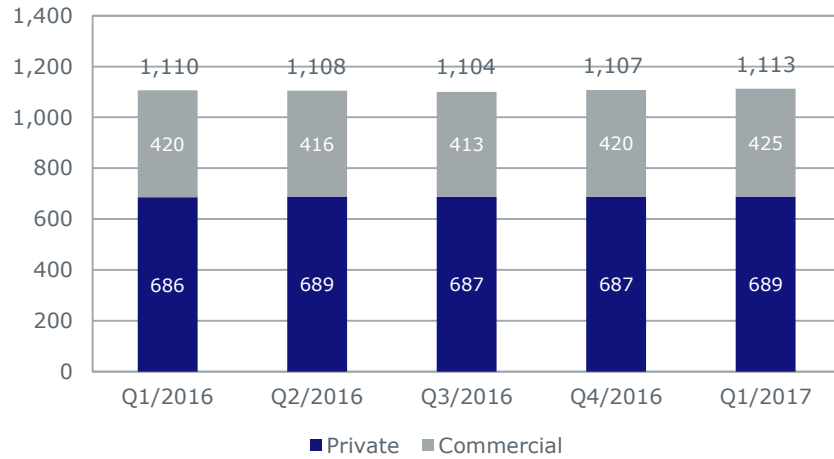
Bank deposits, DKKbn



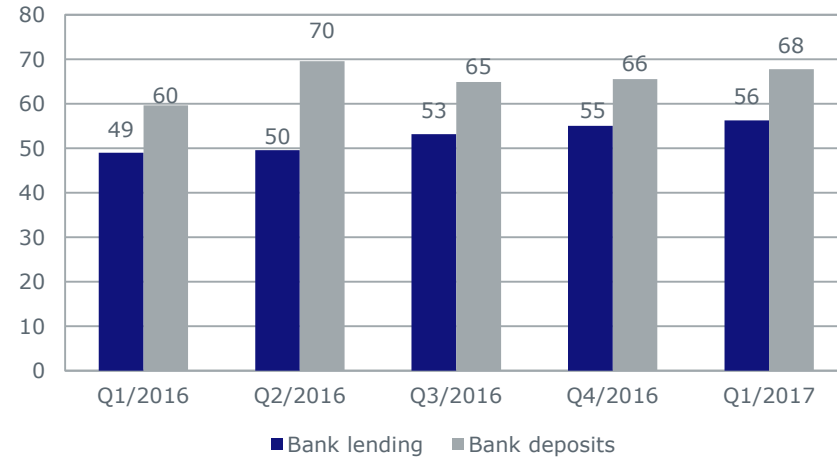
Note: Mortgage lending based on fair value. Bank lending excludes reverse transactions.

# Lending and deposits

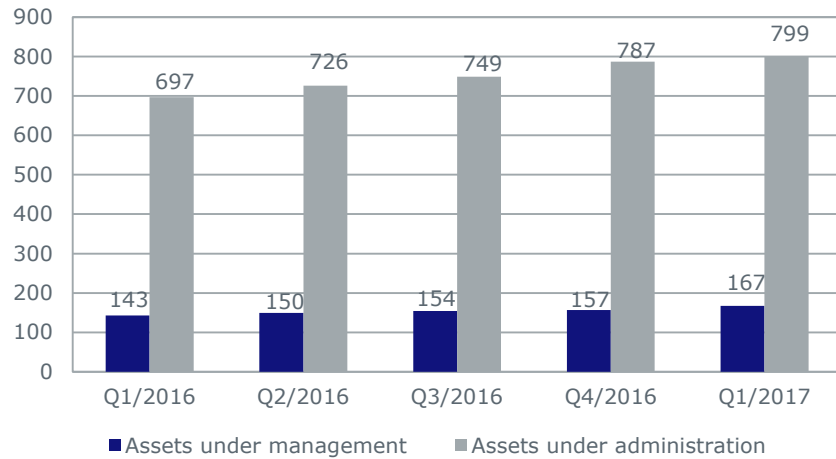
Nominal mortgage lending, DKKbn



Bank lending and bank deposits, DKKbn

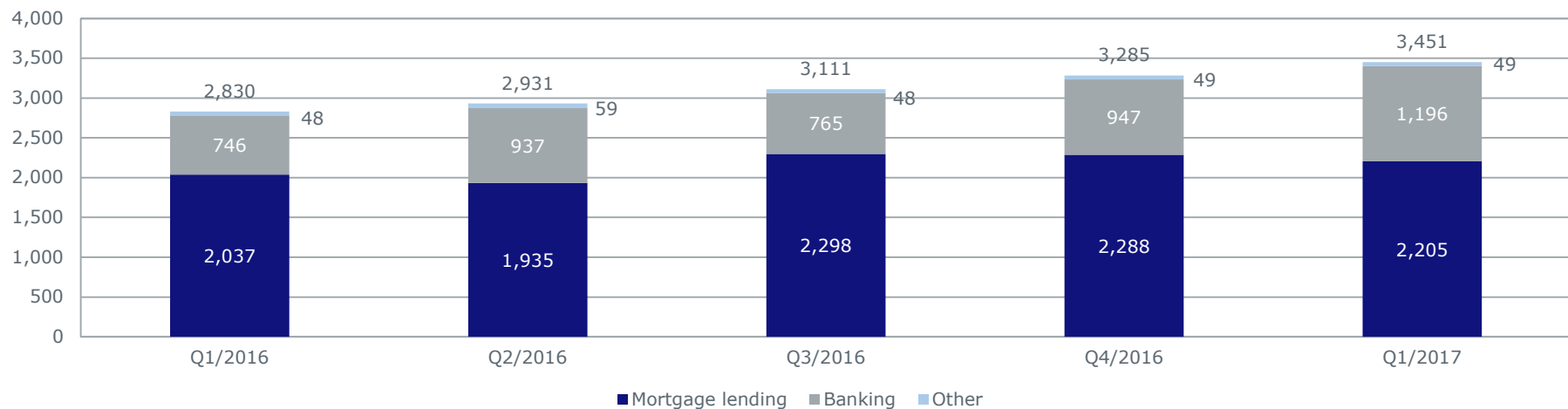


Assets under administration, DKKbn

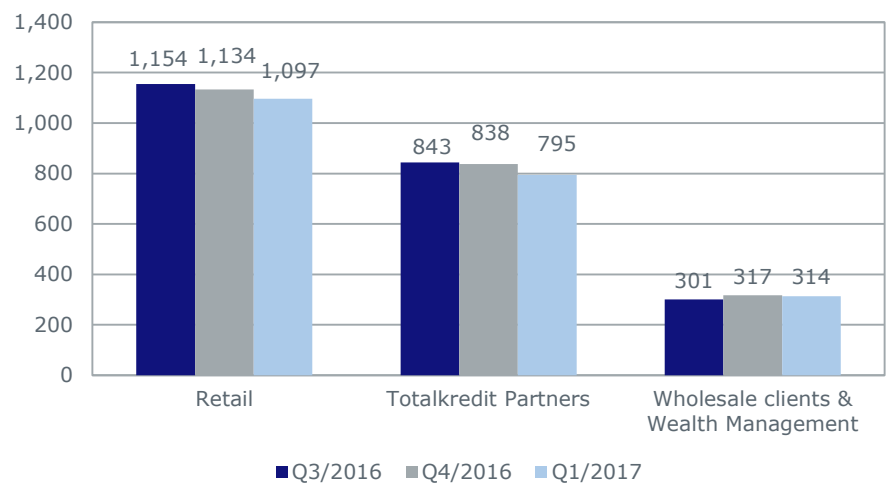


# Breakdown of core income – the Nykredit Realkredit Group

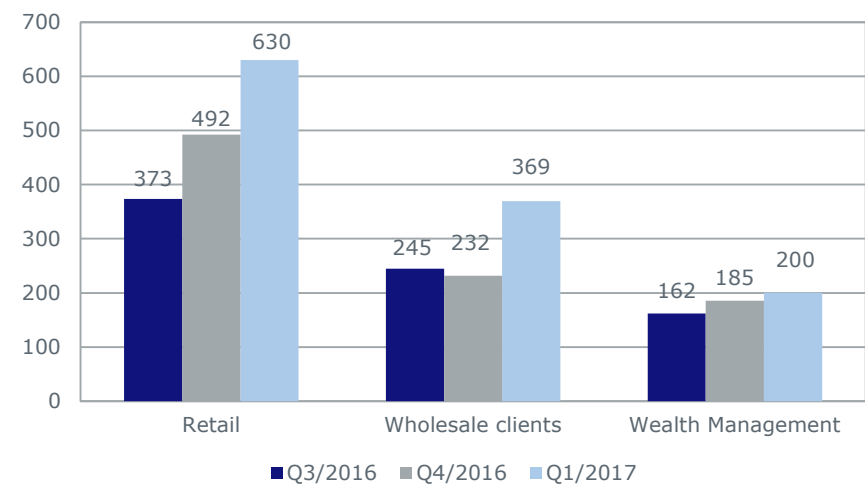
Core income from business operations, DKKm



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

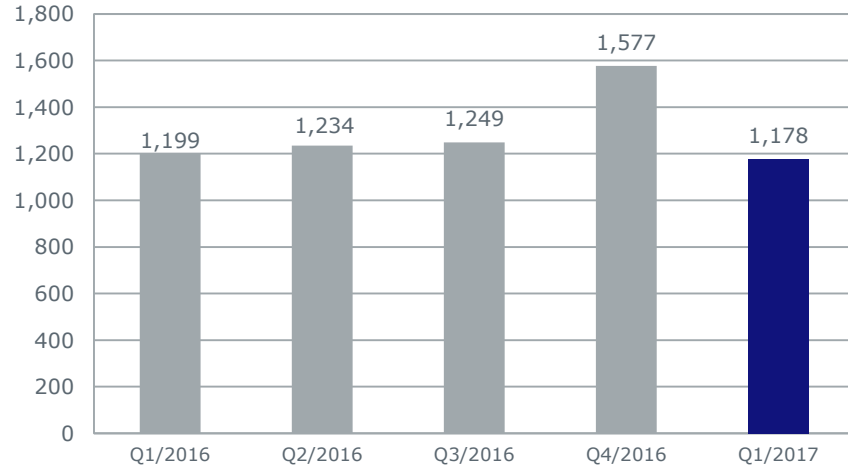


Banking - Core income from business operations by business area excl Group items, DKKm



# Breakdown of costs

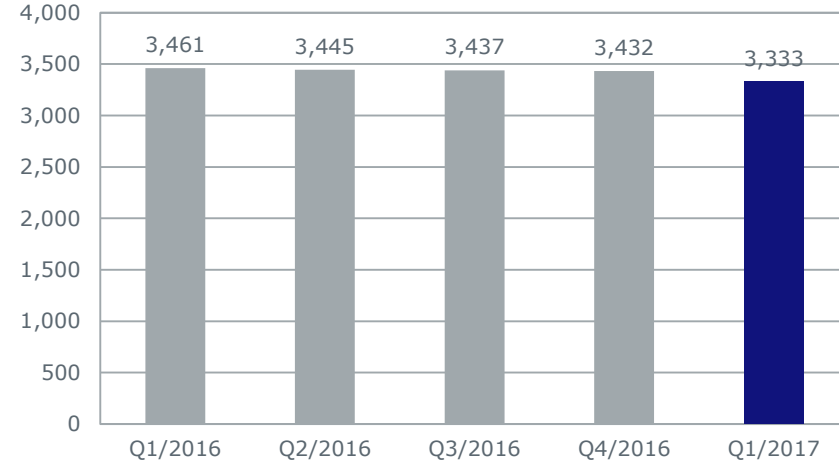
Operating costs, the Nykredit Realkredit Group, DKKm



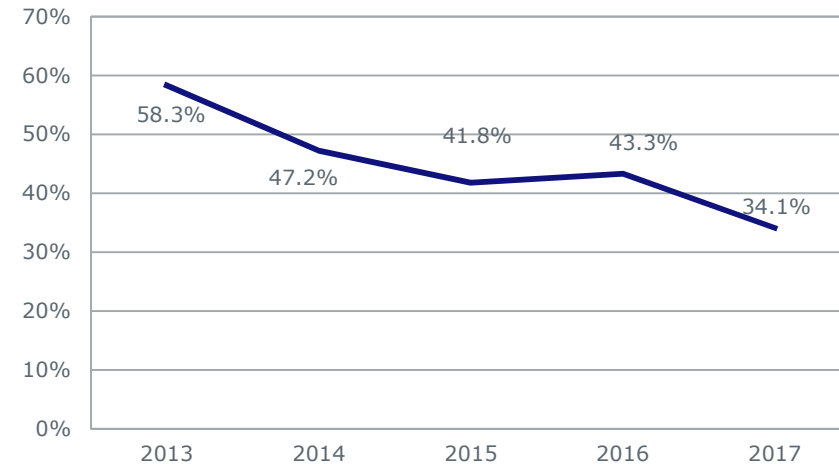
Note: Operating costs incl mortgage business contribution to Resolution Fund and provisions for restructuring



Average number of full-time employees



Cost:income ratio, %



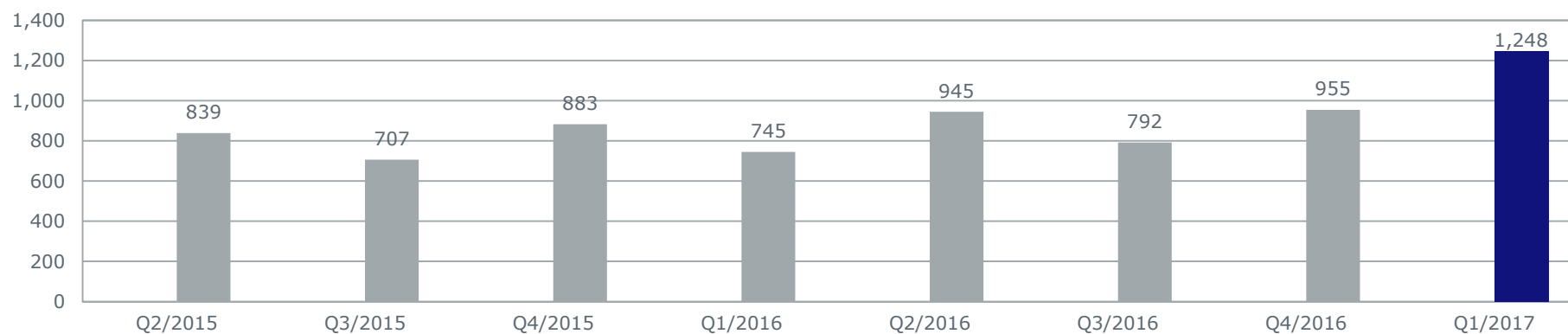
Note: Operating costs, depreciation and amortisation, incl. mortgage business contribution to Resolution Fund.

# Results – the Nykredit Bank Group

## The Nykredit Bank Group

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income from</b>					
Business operations	742	944	790	953	1,246
Securities	3	1	2	2	2
<b>Income from core business</b>	<b>745</b>	<b>945</b>	<b>792</b>	<b>955</b>	<b>1,248</b>
Operating costs, depreciation and amortisation	474	500	500	586	470
<b>Profit from core business before impairment losses</b>	<b>271</b>	<b>445</b>	<b>292</b>	<b>369</b>	<b>778</b>
Impairment losses on bank lending	(16)	(70)	27	(82)	(55)
<b>Profit from core business</b>	<b>287</b>	<b>515</b>	<b>265</b>	<b>451</b>	<b>833</b>
Legacy derivatives	(741)	(510)	66	422	337
Impairment of goodwill	-	-	-	-	-
Investment portfolio income	(5)	30	10	(1)	34
<b>Profit (loss) before tax</b>	<b>(459)</b>	<b>34</b>	<b>341</b>	<b>872</b>	<b>1,204</b>
Tax	(102)	(5)	74	194	264
<b>Profit (loss) for the period</b>	<b>(357)</b>	<b>39</b>	<b>267</b>	<b>678</b>	<b>940</b>

Income from core business, mDKK



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	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	20,305	37,410	35,409	35,723	36,324
Loans, advances and other receivables at fair value	34,963	30,350	24,871	30,091	23,449
Loans, advances and other receivables at amortised cost	48,972	49,554	53,115	55,003	56,256
Bonds at fair value and equities	42,688	38,144	41,168	42,576	35,277
Remaining assets	37,849	39,558	38,893	31,533	26,945
<b>Total assets</b>	<b>184,777</b>	<b>195,016</b>	<b>193,456</b>	<b>194,926</b>	<b>178,251</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	41,552	40,205	47,668	51,606	48,346
Deposits and other payables	59,747	69,643	65,031	66,263	68,035
Bonds in issue at amortised cost	18,031	14,990	12,071	10,158	9,278
Other non-derivative financial liabilities at fair value	17,537	21,075	19,598	21,348	12,889
Remaining payables	31,869	33,081	32,805	26,546	19,784
Provisions	181	222	217	261	235
Subordinated debt	100	-	-	2,000	2,000
Equity	15,760	15,800	16,065	16,744	17,684
<b>Total liabilities and equity</b>	<b>184,777</b>	<b>195,016</b>	<b>193,456</b>	<b>194,926</b>	<b>178,251</b>

## Nykredit Bank A/S

### Supervisory diamond (calculated at parent level)

	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Lending growth (limit value <20%)*	(0.7)	(0.1)	11.9	17.9	15.7
Large exposures (limit value <125%)	11,1	-	-	-	-
Property exposure (limit value <25%)	11,9	12.7	13.4	12.6	12.8
Funding ratio (limit value < 1.0%)	0.6	0.5	0.6	0.6	0.6
Excess liquidity coverage (limit value >50%)	213,2	246.5	241.4	264.7	275.4

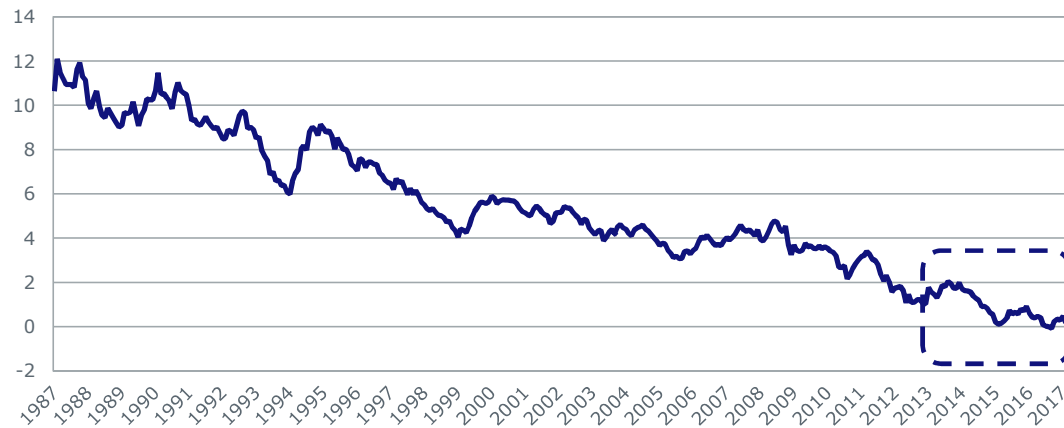
\* Note: The lending growth has been adjusted to comprise a moving 12-month period. Previously the key figure was based on opening balances. This change does not imply that Nykredit Bank has exceeded the limit values set by the Danish FSA

# Income from securities - the Nykredit Realkredit Group

## Net income from securities

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Core income from securities	11	11	12	13	22
Investment portfolio income	61	473	580	218	465
<b>Total investment portfolio income through profit or loss</b>	<b>71</b>	<b>484</b>	<b>592</b>	<b>231</b>	<b>487</b>
Investment portfolio income through equity	(29)	(149)	207	301	6
<b>Total investment portfolio income</b>	<b>43</b>	<b>335</b>	<b>799</b>	<b>532</b>	<b>493</b>
- of which bonds	81	371	482	174	348
- of which equity	(46)	53	90	42	91
- of which strategic equities	(10)	(107)	207	301	24
- of which others	18	18	21	15	30

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	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Net interest margin, %*</b>					
The Nykredit Realkredit Group	0.83%	0.78%	0.85%	0.91%	0.86%
The Nykredit Bank Group	1.05%	0.70%	0.85%	1.00%	0.82%
Nykredit Realkredit A/S	0.80%	0.82%	0.70%	0.73%	0.78%
Totalkredit A/S	0.73%	0.78%	0.89%	0.92%	0.82%
<b>Impairment losses for the period as % of lending</b>					
Mortgage lending	(0.00%)	0.02%	0.02%	0.03%	0.00%
Banking	(0.02%)	(0.07%)	0.03%	(0.08%)	(0.06%)
<b>Write-offs, year to date</b>					
Mortgage lending	197	479	682	969	269
Banking	95	239	266	314	47
Swaps	19	299	392	1,287	23
<b>Total provisions for loan impairment</b>					
Mortgage lending	5,471	5,494	5,605	5,751	5,577
Banking (including guarantees excluding financial institutions)	2,852	2,649	2,661	2,590	2,522
Swaps	5,723	6,101	5,978	4,160	3,749
<b>Total provisions for loan impairment/write-offs</b>					
Mortgage lending	27.8	11.5	8.2	5.9	20.7
Banking	30.0	11.1	10.0	8.2	53.7
Swaps	-	20.4	15.2	3.2	163.0

\* Net interest margin has been annualized

## Ratios

Year to date	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Return on average equity, before tax, p.a., %	5.4%	8.4%	12.7%	13.8%	17.2%
Return from core business on average equity, p.a., %	9.8%	8.7%	8.7%	7.7%	12.5%
Return on assets, p.a. %	0.20%	0.26%	0.33%	0.38%	0.68%
Return on REA, %	0.91%	1.44%	1.86%	2.14%	2.79%

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

%	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Total capital ratio, %	24.0%	24.8%	22.0%	23.0%	23.9%
Common Equity Tier 1 (CET1) capital ratio, %	19.5%	20.2%	17.9%	18.8%	19.4%
Leverage ratio, %*	4.3%	4.4%	4.6%	4.6%	4.6%

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

%	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Retail - Mortgage	12.4%	12.4%	12.9%	12.6%	12.5%
Commercial - Mortgage	22.5%	22.4%	28.6%	27.8%	27.6%
Total Mortgage	-	-	17.6%	17.1%	17.1%
Retail - Banking	53.4%	53.0%	42.0%	42.3%	42.0%
Business - Banking	36.1%	37.1%	70.1%	64.5%	70.6%
Retail - Group	14.0%	14.0%	14.1%	13.8%	13.6%
Commercial - Group	25.4%	25.7%	38.8%	37.2%	36.9%

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

## Ratios

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>The Nykredit Realkredit Group</b>					
CET1, fully loaded <sup>1</sup>	60,458	61,360	63,926	65,635	65,646
Distance to MDA, not fully loaded <sup>2</sup>	38,580	39,898	37,886	40,860	38,135
Distance to MDA, fully loaded <sup>1, 3</sup>	35,872	37,196	37,826	29,890	31,134
Available Distributable Items (ADI)	26,371	27,330	30,138	29,890	32,095 <sup>4</sup>
Asset encumbrance (Q1/2017 figure based on Q4/2016)	84.9%	84.1%	84.0%	83.9%	83.9%
<b>Nykredit Realkredit A/S</b>					
Internal capital adequacy requirement, %	9.9%	10.0%	9.4%	9.2%	9.2%
CET1, fully loaded <sup>1</sup>	60,699	61,706	64,520	66,718	66,749
Distance to MDA, not fully loaded <sup>2</sup>	35,085	36,238	36,090	40,978	36,998
Distance to MDA, fully loaded <sup>1, 3</sup>	33,174	34,416	36,034	28,839	28,935
Available Distributable Items (ADI)	28,039	28,470	29,375	19,856	21,278 <sup>5</sup>

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

<sup>2</sup> 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 8.182% for Nykredit Realkredit Group and 7.622% for Nykredit Realkredit A/S.

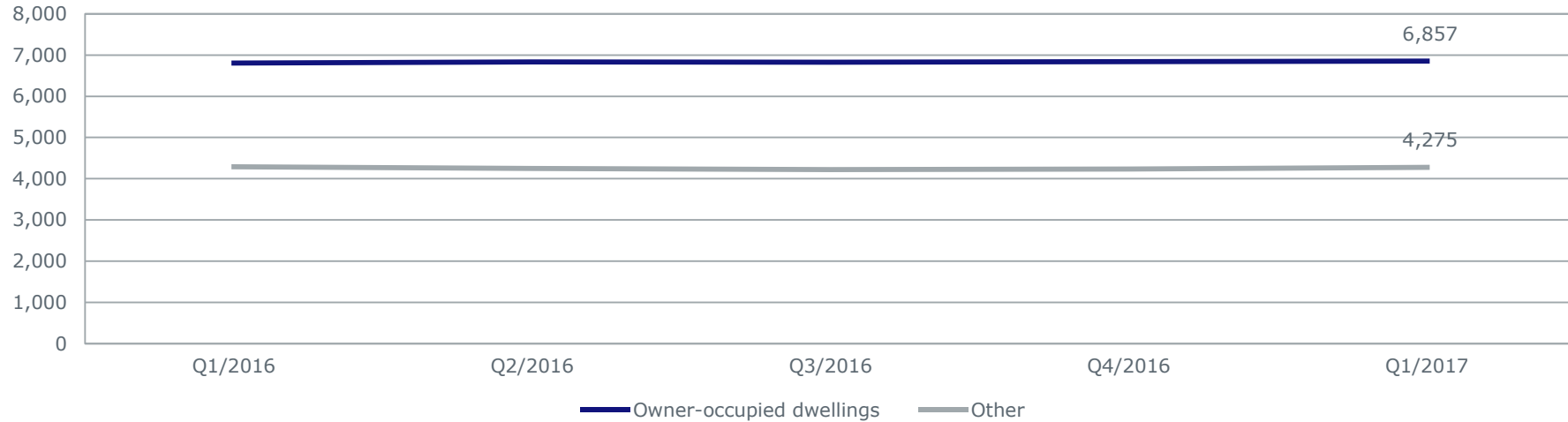
<sup>3</sup> Maximum Distributable Amount (MDA): Estimated MDA buffers calculated under the assumption that AT1 and T2 requirements are covered by relevant capital instruments and that the CET1 requirement is 10.232% for Nykredit Realkredit Group and 9.672% for Nykredit Realkredit A/S (CET1 requirements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

<sup>4</sup> 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 80.9bn. Maximum capital requirement is the transitional floor of DKK 48.3bn. However retained earnings amount to DKK 32.1bn and that is the maximum amount available for distribution.

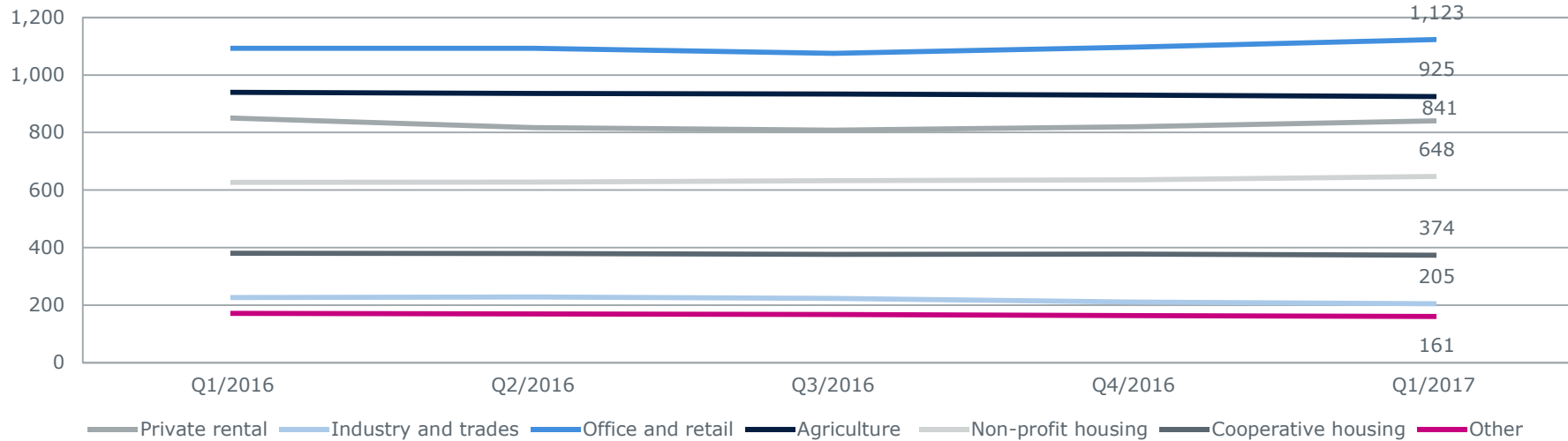
<sup>5</sup> According to Danish legislation, capital cannot be distributed if dividend payments impair any regulatory capital requirements. Nykredit Realkredit A/S total capital amounts to DKK 81.4bn. Maximum capital requirement is the internal capital adequacy requirement (Pillar I and Pillar II) of DKK 36.0bn. However retained earnings amount to DKK 21.3bn and that is the maximum amount available for distribution.

# Mortgage lending

Mortgage lending, nominal value, DKKbn



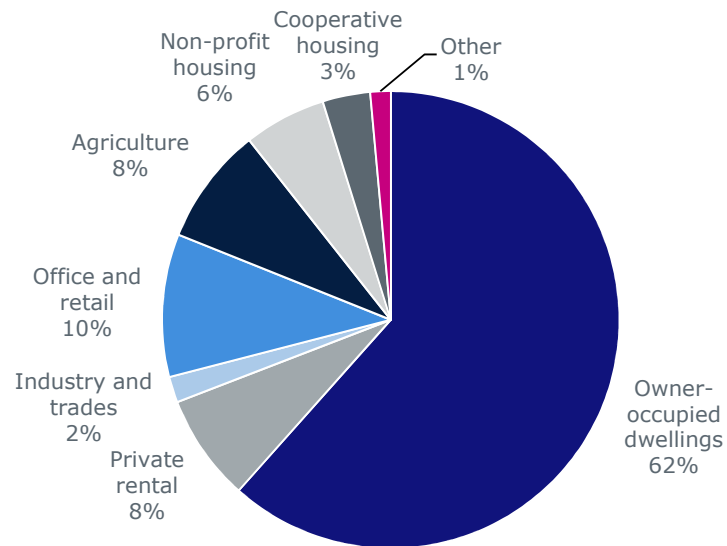
Mortgage lending by property type (excl.private residential property), nominal value,DKKbn



# Mortgage lending

## Mortgage lending – by property type

DKK million, nominal value	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Average impairment losses Q2/2016 - Q1/2017	Average write-offs Q2/2016 - Q1/2017
Owner-occupied dwellings	680,790	683,344	682,357	683,759	685,684	-0.01%	0.01%
Private rental	85,062	81,707	80,847	82,021	84,057	-0.10%	0.02%
Industry and trades	22,643	22,814	22,398	21,082	20,478	-0.12%	0.09%
Office and retail	109,312	109,250	107,466	109,625	112,285	0.10%	0.01%
Agriculture	93,980	93,624	93,414	92,976	92,468	0.28%	0.07%
Non-profit housing	62,699	62,766	63,294	63,554	64,753	-0.08%	0.00%
Cooperative housing	38,082	37,908	37,708	37,731	37,396	-0.01%	0.01%
Other	17,145	16,972	16,759	16,386	16,092	0.02%	0.01%
<b>Total</b>	<b>1,109,712</b>	<b>1,108,385</b>	<b>1,104,245</b>	<b>1,107,135</b>	<b>1,113,212</b>	<b>0.02%</b>	<b>0.01%</b>



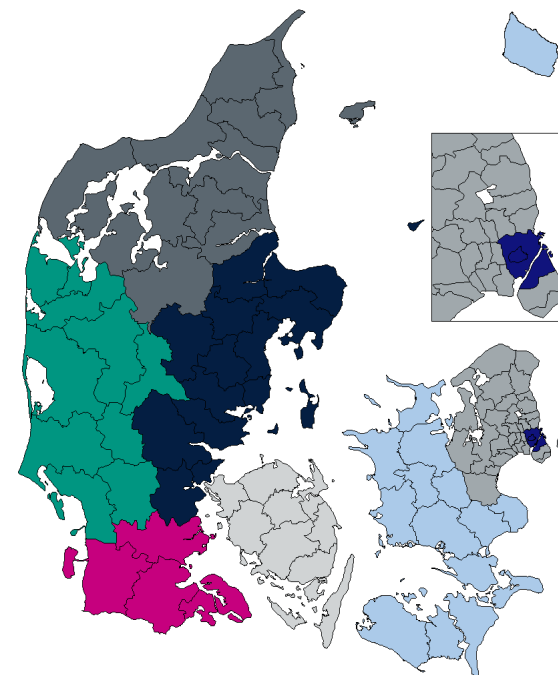
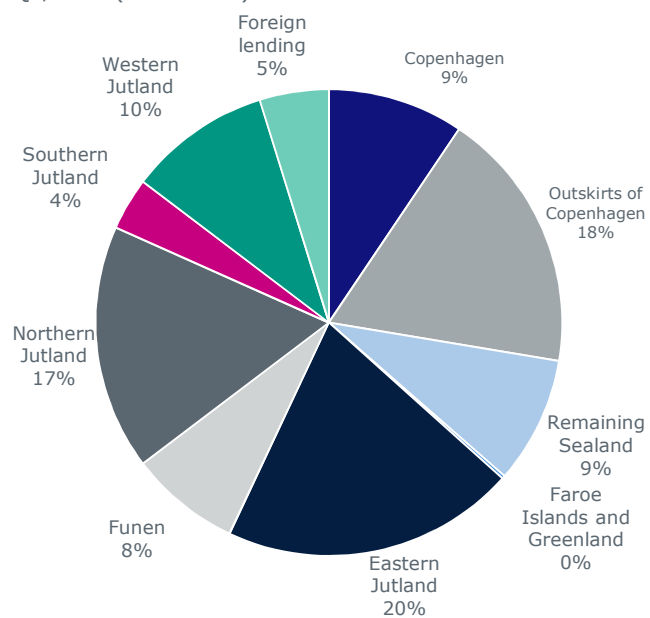
Note: The breakdown by property type is not directly comparable with the Group's business areas. Impairment losses and write-offs has been annualized for the calculation of average impairment losses and average write-offs.

# Mortgage lending

## Mortgage lending at nominal value by geography

DKK billion	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Copenhagen	101	101	101	103	105
Outskirts of Copenhagen	200	200	199	200	203
Remaining Sealand	99	99	99	98	98
Faroe Islands and Greenland	2	2	2	2	2
Eastern Jutland	225	226	225	226	227
Funen	88	86	86	85	85
Northern Jutland	190	190	190	189	189
Southern Jutland	40	41	40	40	41
Western Jutland	109	111	111	110	110
Foreign lending	55	52	51	52	53

Q1/2017 (DKK billion)



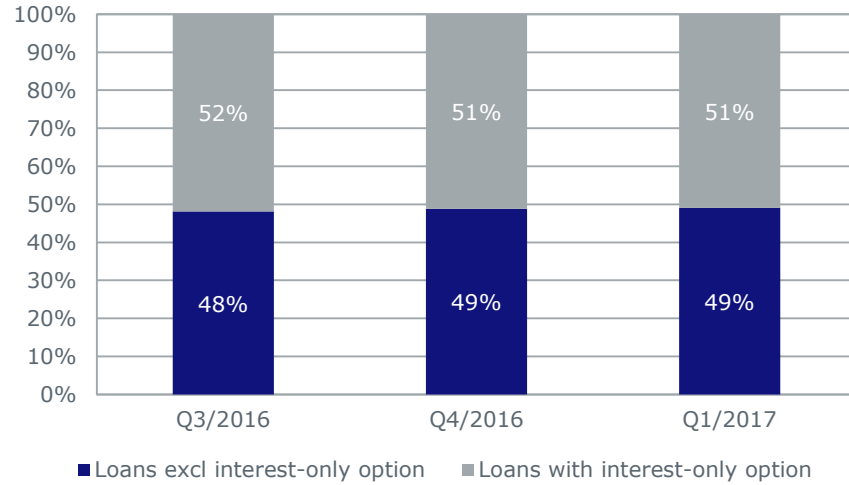
# Mortgage lending

## Nykredit Realkredit Koncernen Mortgage lending at nominal value

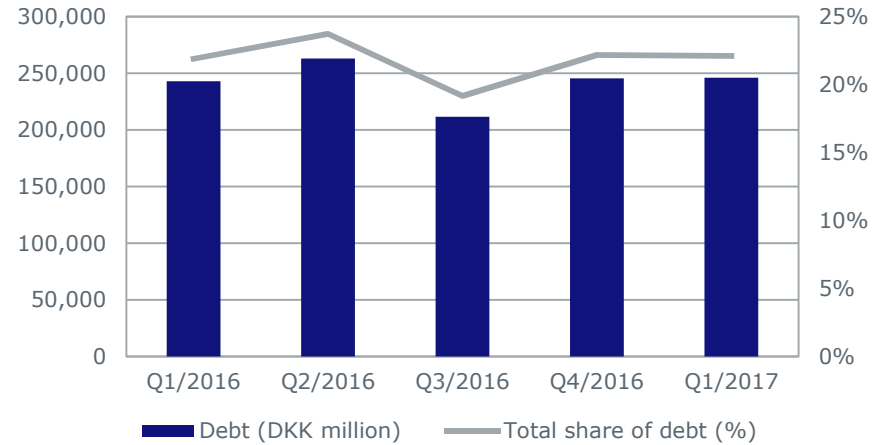
Q1/2017, DKK million	Owner-occ. dwellings	Private rental	Industry and trades	Office and retail	Agriculture	Non-profit housing	Cooperative housing	Other	Total
Capital Region of Denmark	166	22	1	30	2	24	20	5	271
Region Zealand	90	5	2	11	14	8	4	1	135
North Denmark Region	97	9	3	9	24	7	4	1	155
Central Denmark Region	170	21	6	22	28	12	5	5	268
Region of Southern Denmark	150	12	3	17	25	14	5	3	229
Total foreign mortgage lending	13	14	5	22	0	0	0	0	56
Faroe Islands and Greenland	2	0	0	0	0	0	0	0	2
Finland	0	0	0	2	0	0	0	0	2
France	5	0	0	0	0	0	0	0	5
Germany	0	9	1	3	0	0	0	0	13
Norway	0	0	0	0	0	0	0	0	0
Poland	1	0	0	0	0	0	0	0	1
Spain	6	0	0	0	0	0	0	0	6
Sweden	0	5	2	17	0	0	0	0	25
United Kingdom	0	0	2	0	0	0	0	0	2
<b>Total mortgage lending</b>	<b>686</b>	<b>84</b>	<b>20</b>	<b>112</b>	<b>92</b>	<b>65</b>	<b>37</b>	<b>16</b>	<b>1,113</b>

# Mortgage lending

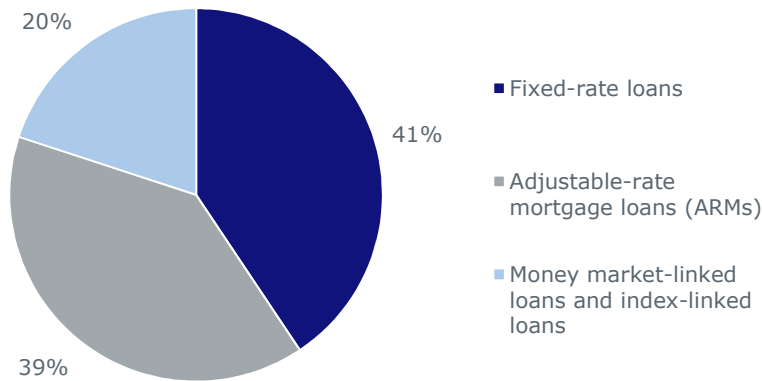
Bond dept outstanding by loan and interest type, all segments



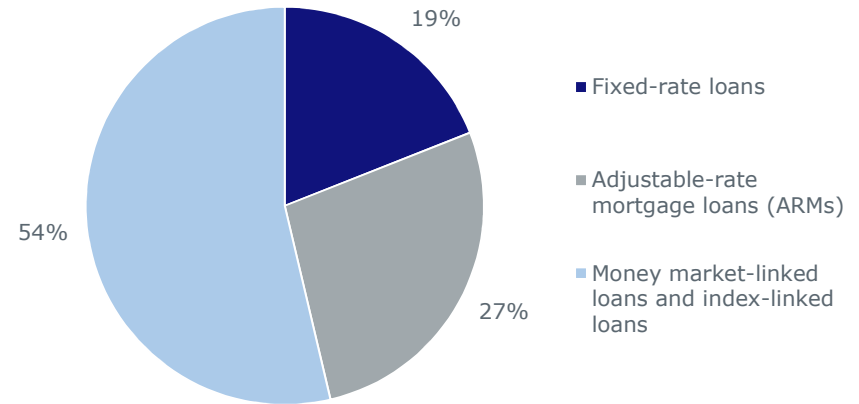
Variable-rate loans with refinancing within one year (ARMs, money market-linked and index-linked), debt outstanding with maturity less than 1 year, all segments, variable-rate loans.



Mortgage lending by loan type, private residential properties, Q1/2017



Mortgage lending by loan type, commercial, Q1/2017



# Bond Portfolio

## Nykredit Realkredit Group Bond portfolio by type and country

Q1/2017	Government bonds	Covered bonds	Senior secured debt (JCB)	Credit bonds (excl subordinated capital)	Subordinated capital	Total
DKK milion						
EU Institutions	918	-	-	-	-	918
Denmark	14,009	72,880	2,737	120	391	90,138
Sweden	1,992	4,407	-	-	5	6,403
Norway	25	1,018	-	-	36	1,080
Finland	-	-	-	-	-	-
Germany	5,971	-	-	-	136	6,107
Netherlands	-	224	-	-	742	966
France	844	69	-	479	615	2,006
Belgium	-	-	-	-	-	-
United Kingdom	-	-	-	-	176	176
Switzerland	-	-	-	-	86	86
Spain	-	-	-	-	-	-
Italy	-	2	-	-	(1)	1
United States	(7)	-	-	-	-	(7)
Austria	-	149	-	-	-	149
Other	-	110	-	(6)	86	190
<b>Total</b>	<b>23,751</b>	<b>78,859</b>	<b>2,737</b>	<b>593</b>	<b>2,273</b>	<b>108,214</b>

## Nykredit Realkredit Group Bond portfolio by type and external category

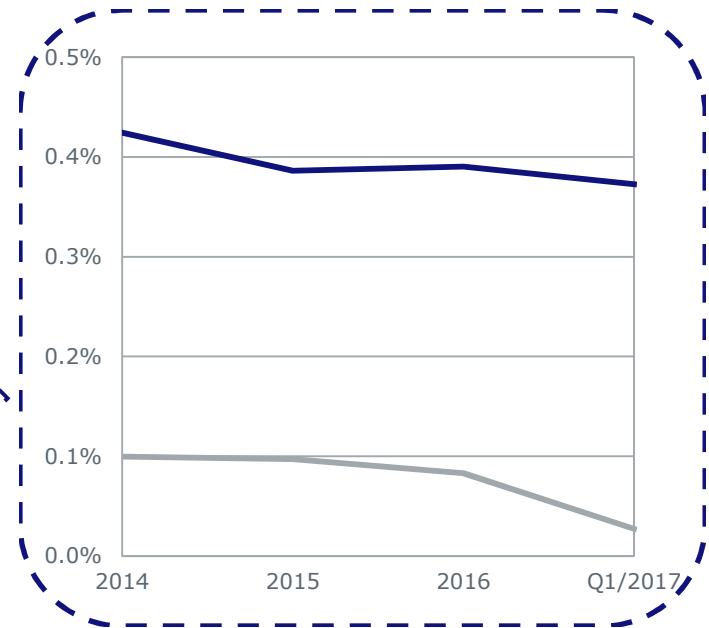
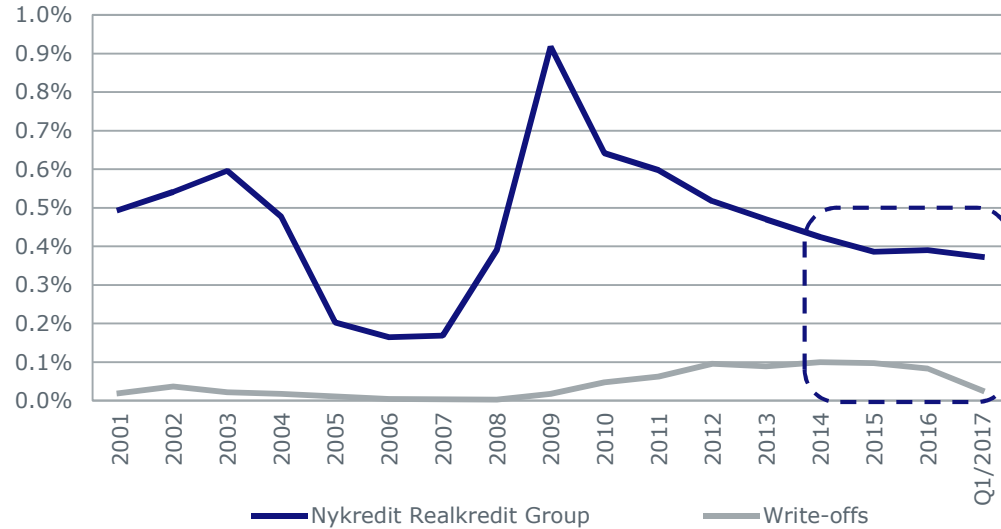
Q1/2017	Government bonds	Covered bonds	Senior secured debt (JCB)	Credit bonds (excl subordinated)	Subordinated capital	Total
DKK milion						
Aaa/AAA	19,518	78,646	-	0	-	98,164
Aa1/AA+ - Aa3/AA-	3,916	280	2,215	421	-	6,832
A1/A+ - Baa3/BBB-	-	137	523	57	956	1,673
Ba1/BB+ or below	-	1	-	4	1,216	1,221
Not rated	317	(205)	-	111	100	324
<b>Total</b>	<b>23,751</b>	<b>78,859</b>	<b>2,738</b>	<b>593</b>	<b>2,273</b>	<b>108,214</b>

Note: Calculation of market risk covers both the trading and the banking book. As some of the mortgage activities have been classified as belonging to the banking book, interest rate risk outside the trading book and interest rate risk from mortgage activities overlap. Above figures are market values, and includes bond forwards and unsettled trade. The statement does not include own issues.



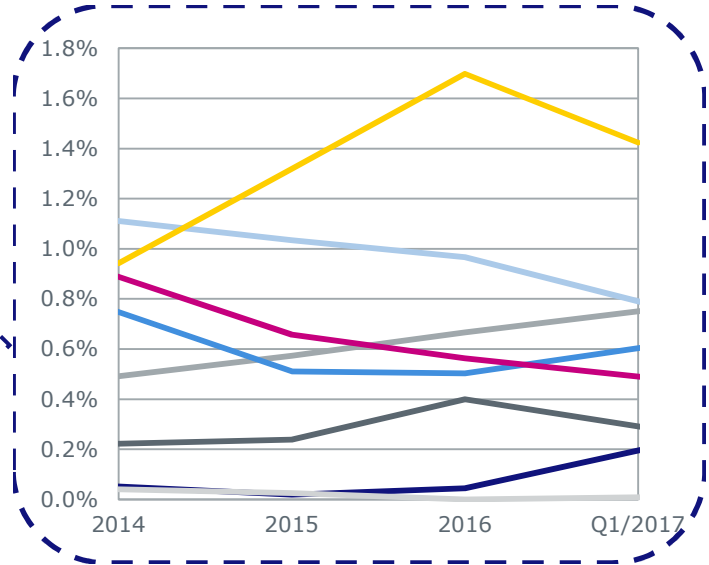
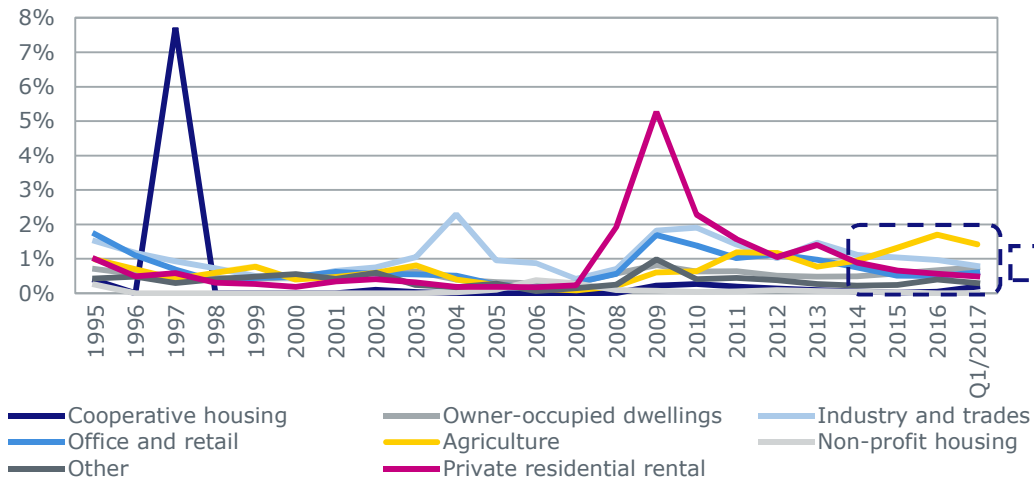
# Arrears – mortgage lending

Arrears - 75 days past due, %



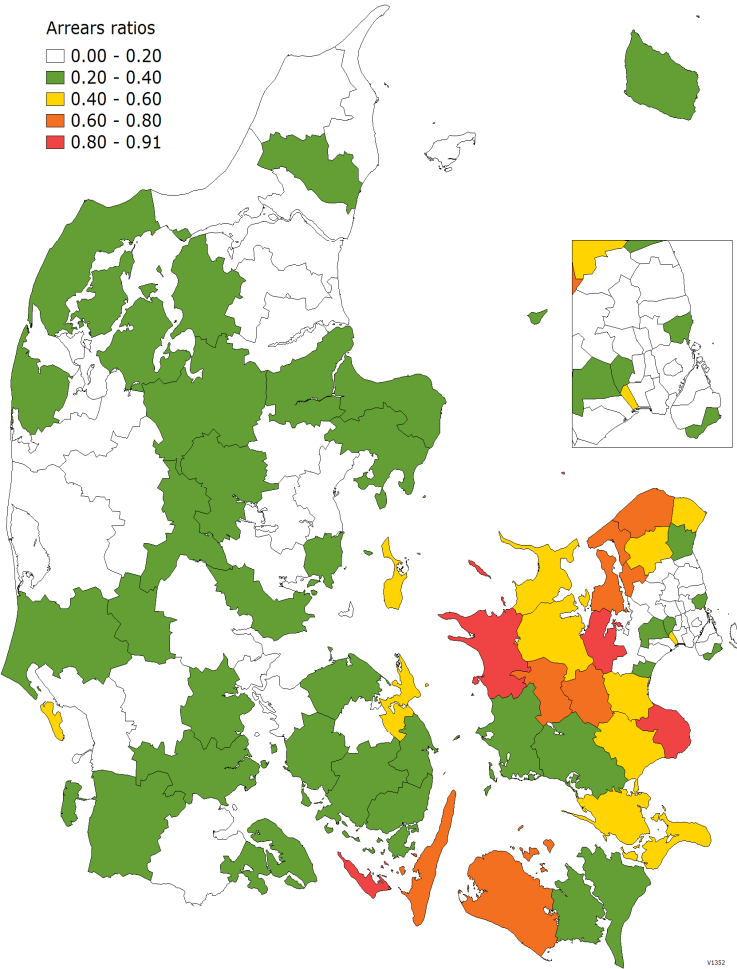
Note: Q1/2017 write-offs has not been annualized.

Arrears, 75 days past due, %

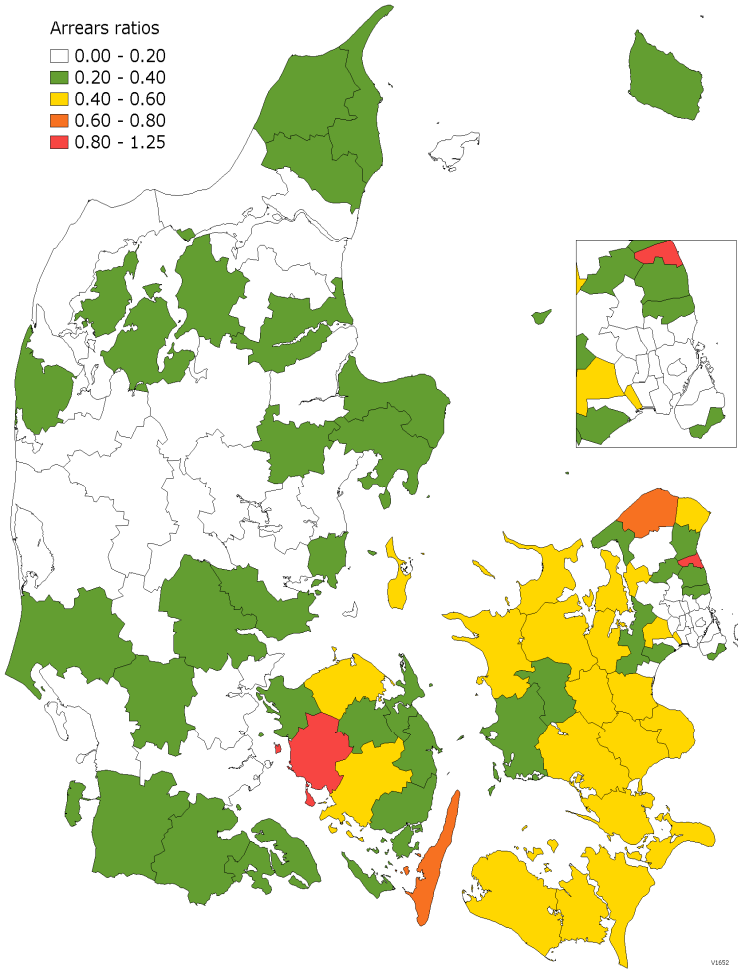


# Geographical distribution of arrears/total mortgage lending – owner-occupied dwellings, mortgage lending

75 day-arrears, Q1/2016

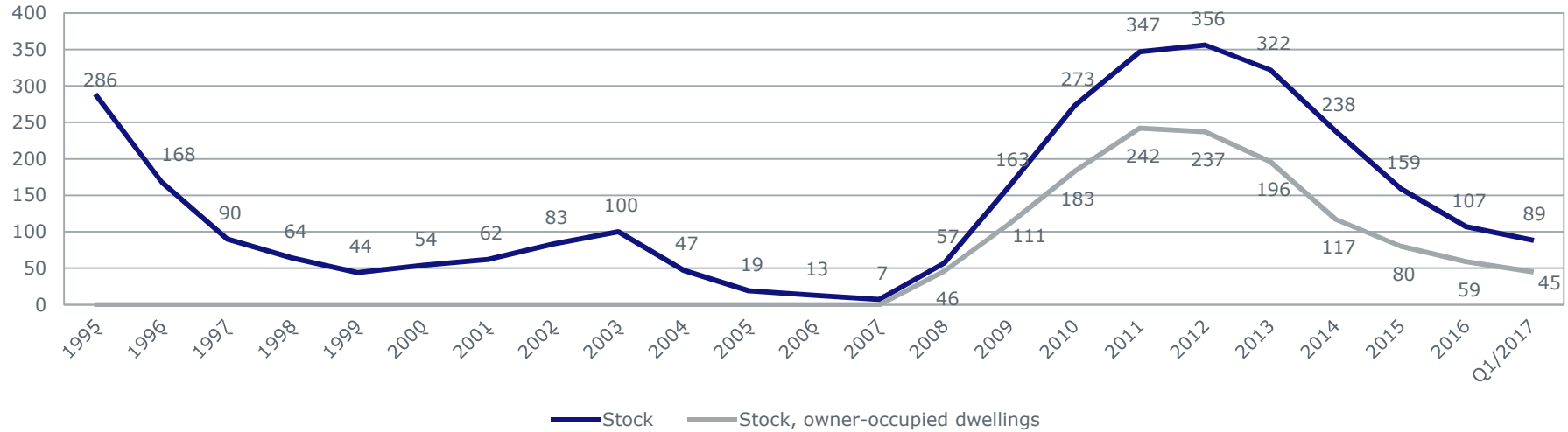


75 day-arrears, Q1/2017

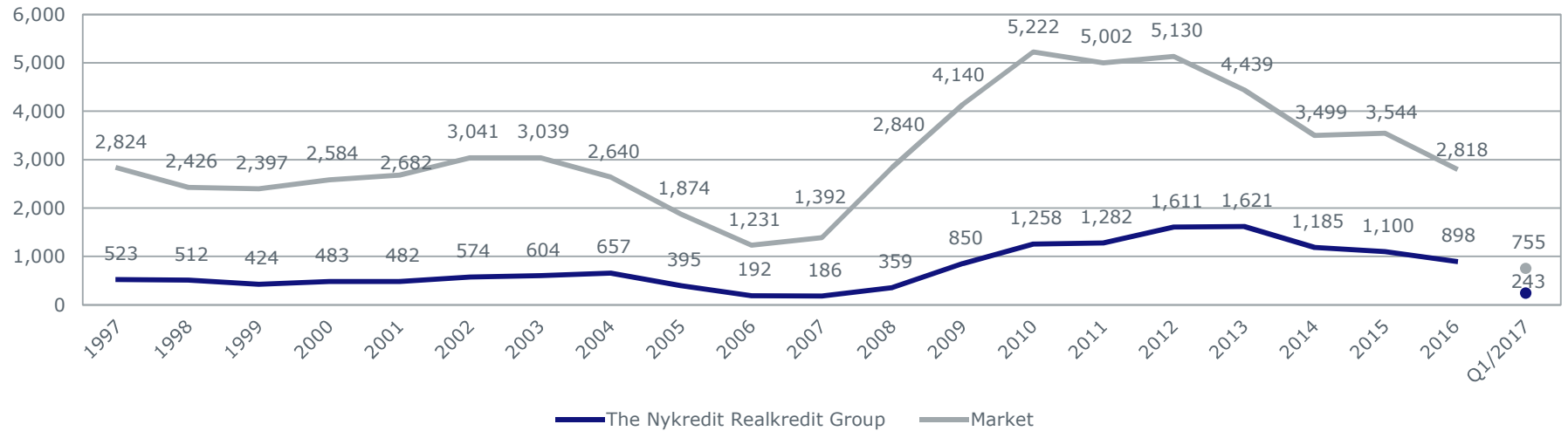


# Repossessed properties and forced sales

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 Q1/2017

### Fair value 2017 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	423,978	161,788	93,004	14,068	3,380	-	696,218	32	69
Private rental	78,746	26,634	11,793	2,555	989	-	120,717	29	65
Industry and trades	16,198	3,277	562	260	228	-	20,525	23	52
Office and retail	86,824	21,536	3,129	847	509	-	112,845	24	53
Agriculture	68,511	18,102	6,674	1,596	444	-	95,327	26	58
Other	13,066	2,425	653	69	80	-	16,293	22	49
<b>Total Q1/2017</b>	<b>687,323</b>	<b>233,763</b>	<b>115,814</b>	<b>19,395</b>	<b>5,630</b>	<b>71,572</b>	<b>1,133,497</b>	<b>29</b>	<b>64</b>
<b>Total Q1/2016</b>	<b>677,513</b>	<b>229,023</b>	<b>117,117</b>	<b>22,729</b>	<b>6,697</b>	<b>69,138</b>	<b>1,122,218</b>	<b>29</b>	<b>65</b>

3.18% of total lending is outside statutory LTV limits

## Debt outstanding relative to estimated property values, Q1/2017 continuous distribution, The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Owner-occupied dwellings	61	23	13	2	0
Private rental	65	22	10	2	1
Industry and trades	79	16	3	1	1
Office and retail	77	19	3	1	0
Agriculture	72	19	7	2	0
Other	80	15	4	0	0
<b>Total Q1/2017</b>	<b>65</b>	<b>22</b>	<b>11</b>	<b>2</b>	<b>1</b>

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

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

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

## Statutory LTV limits by property category

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

# Risk relating to mortgage lending

## Debt outstanding distributed by the top part relative to estimated property values, Q1/2017

### Fair value 2017 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	74,069	158,131	301,976	134,467	27,575	-	696,218	32	69
Private rental	31,928	43,302	29,959	9,947	5,580	-	120,717	29	65
Industry and trades	7,700	9,852	1,530	756	688	-	20,525	23	52
Office and retail	47,951	49,133	10,633	3,016	2,112	-	112,845	24	53
Agriculture	42,291	31,283	15,092	4,841	1,820	-	95,327	26	58
Other	9,149	4,855	1,809	271	208	-	16,293	22	49
<b>Total Q1/2017</b>	<b>213,088</b>	<b>296,556</b>	<b>361,000</b>	<b>153,298</b>	<b>37,983</b>	<b>71,572</b>	<b>1,133,497</b>	<b>29</b>	<b>64</b>
<b>Total Q1/2016</b>	<b>215,790</b>	<b>289,424</b>	<b>339,715</b>	<b>118,259</b>	<b>45,953</b>	<b>113,077</b>	<b>1,122,218</b>	<b>29</b>	<b>65</b>

19.44% of total lending is outside statutory LTV limits

## Debt outstanding distributed by the top part relative to estimated property values, Q1/2017, The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Owner-occupied dwellings	11	23	43	19	4
Private rental	26	36	25	8	5
Industry and trades	38	48	7	4	3
Office and retail	42	44	9	3	2
Agriculture	44	33	16	5	2
Other	56	30	11	2	1
<b>Total Q1/2017</b>	<b>20</b>	<b>28</b>	<b>34</b>	<b>14</b>	<b>4</b>

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%.

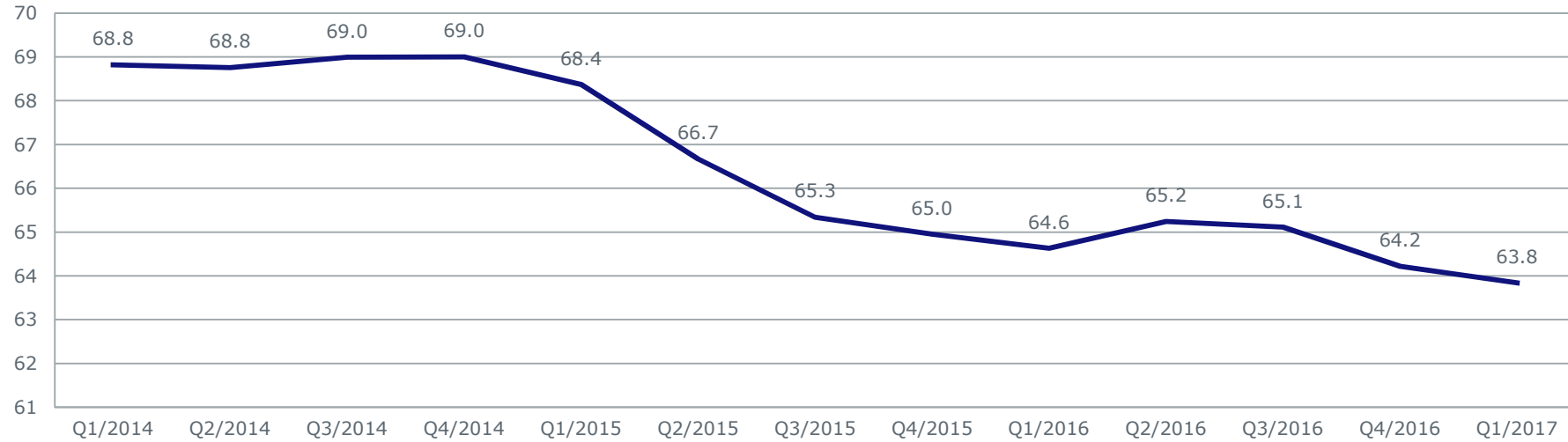
(\*\*) The LTV limit may be extended up to 70% against supplementary collateral for the part in excess in 60%.

## Statutory LTV limits by property category

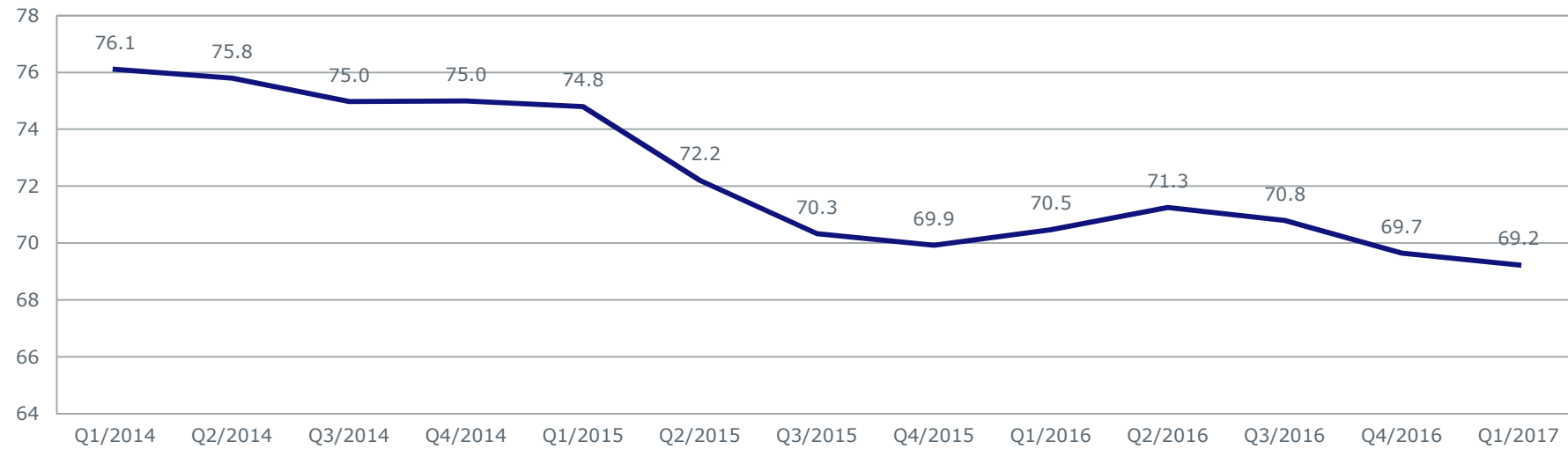
Private residential property for all-year habitation	80%*
Private cooperative housing	80%
Private residential rental properties	80%
Non-profit housing	80%
Youth housing	80%
Senior housing	80%
Properties used for social, cultural or educational purposes	60%
Holiday homes	60%
Agricultural and forestry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

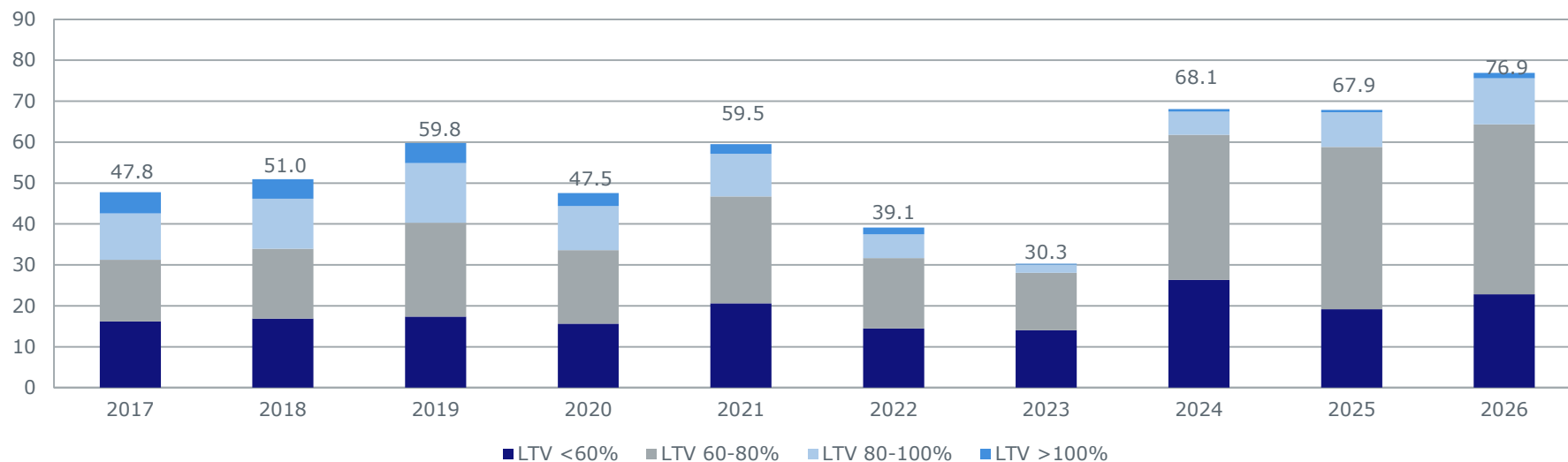


Average LTV - private residential properties, %

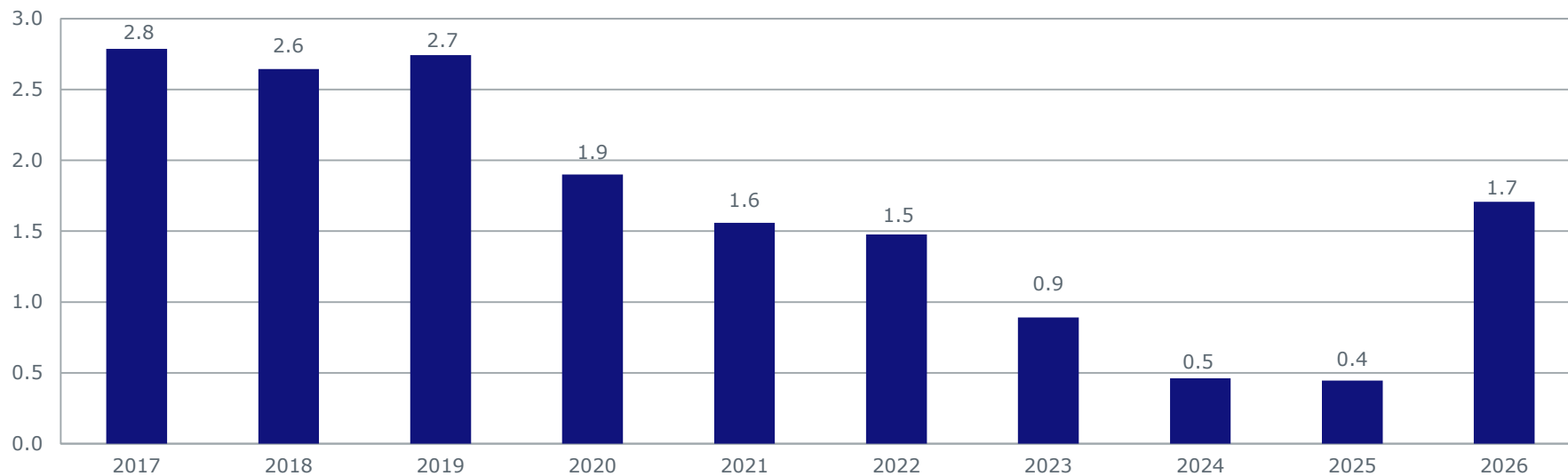


# Expiry of interest-only period – mortgage lending

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

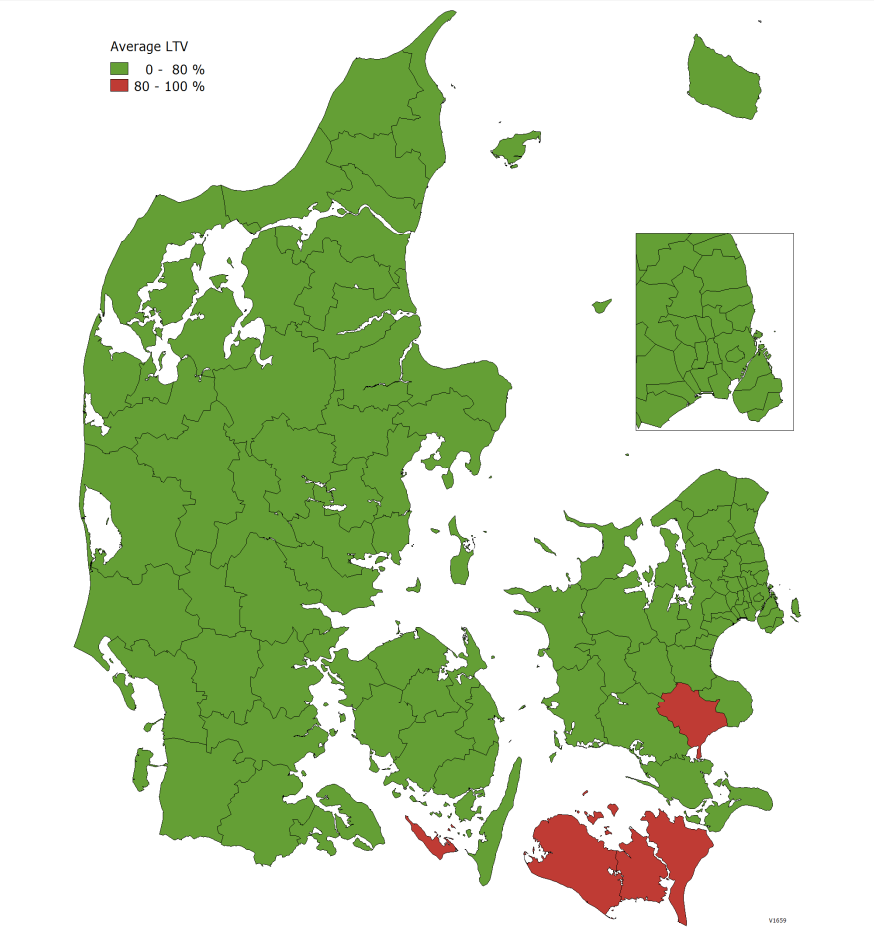


Debt outstanding over 80% LTV with expiry of interest-only period, by year, DKKbn (Only the amount of the loan that excess 80%)

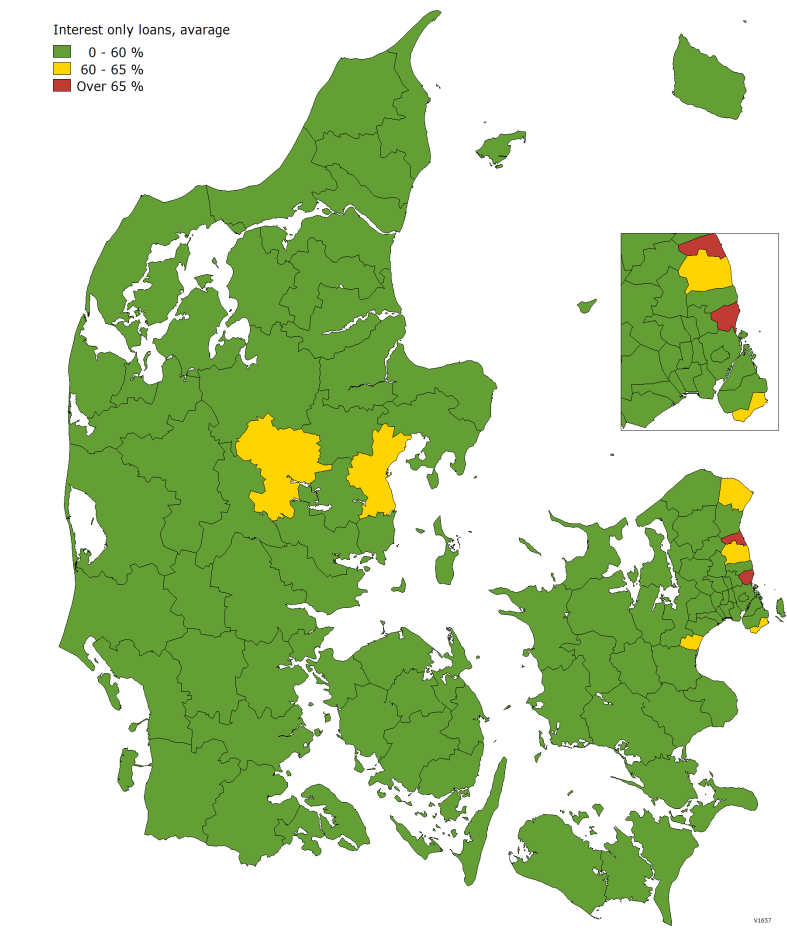


# Interest-only loans prevalent where LTVs are low

LTV ratios



Distribution of interest-only loans

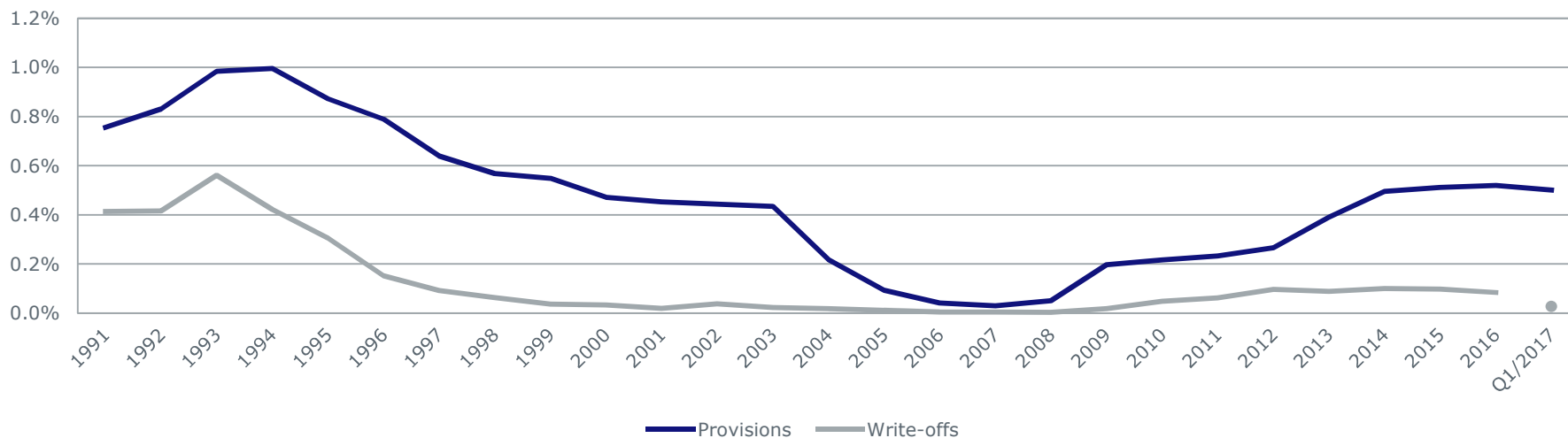


Note: Private residential lending in municipalities with above 80% LTVs and low marketability (above national average of 200 days on market) amounts to 4,8% of total private residential mortgage lending at end-Q4 2016

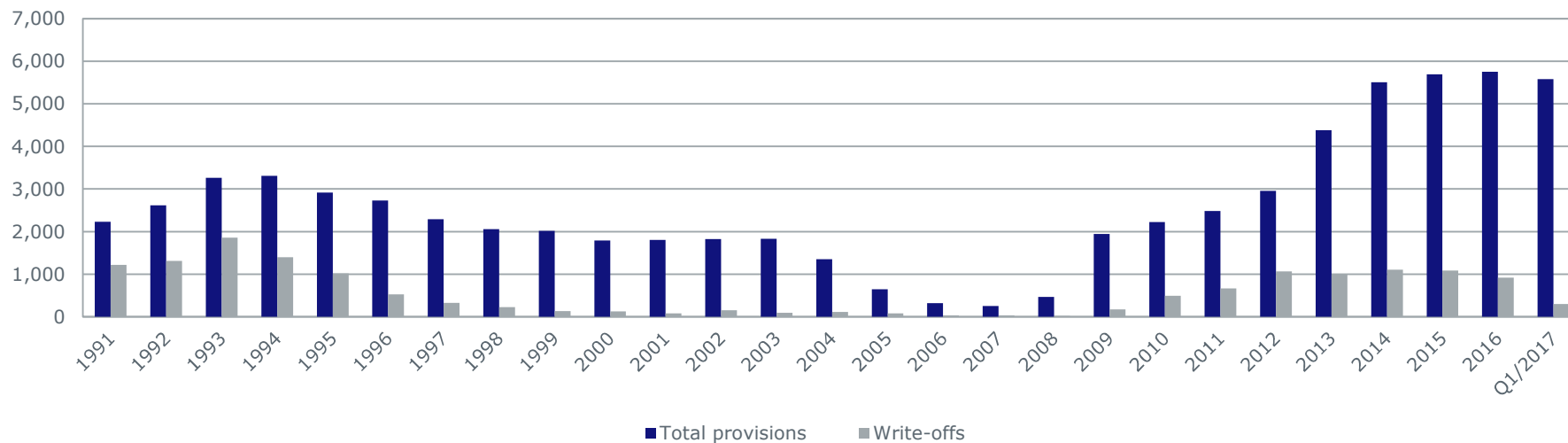


# Impairment provisions and write-offs – mortgage lending

Provisions and write-offs as % of loans and advances



Impairment provisions and write-offs, DKKm



Note: Write-offs for Q1 2017 has not been annualized

# Impairment provisions and losses – mortgage lending

## Total impairment provisions – by property type

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Owner-occupied dwellings	854	854	742	990	951
Private rental	557	544	347	533	439
Industry and trades	229	230	191	188	123
Office and retail	475	455	354	529	620
Agriculture	1,049	1,233	596	1,447	1,484
Non-profit housing	38	36	27	32	746
Cooperative housing	857	815	694	802	46
Other	99	101	100	99	96
<b>Total Nykredit Realkredit</b>	<b>4,158</b>	<b>4,269</b>	<b>3,051</b>	<b>4,620</b>	<b>4,505</b>
Totalkredit	1,313	1,226	1,205	1,135	1,072
<b>Total impairment provisions from mortgage lending</b>	<b>5,471</b>	<b>5,494</b>	<b>4,257</b>	<b>5,756</b>	<b>5,578</b>

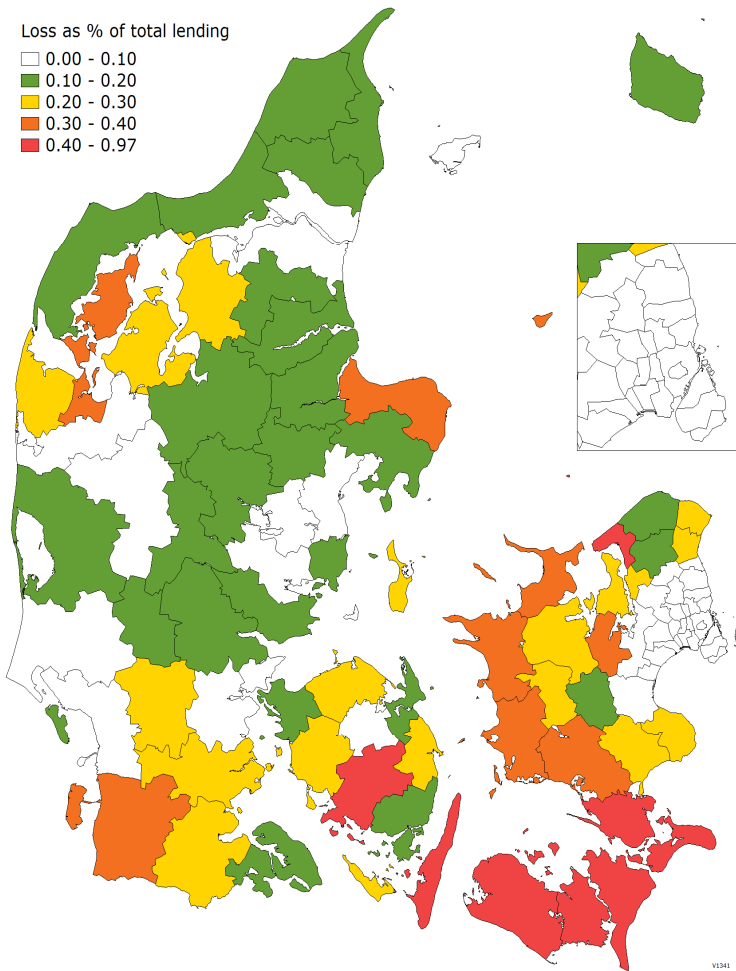
Note: Provisions include individual and collective provisions (including provisions from management judgement)

## Impairment losses – by property type

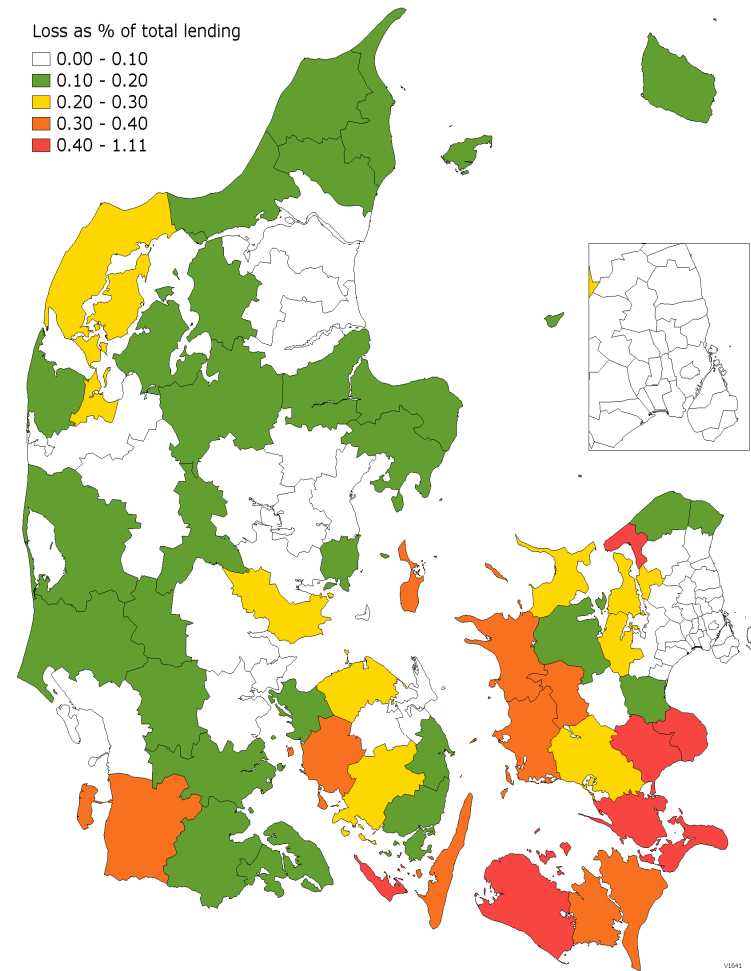
DKK million, year to date	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Owner-occupied dwellings	1	46	261	197	(24)
Private rental	(18)	(21)	0	(20)	(81)
Industry and trades	(19)	(3)	(20)	(24)	(26)
Office and retail	(10)	(7)	(5)	82	91
Agriculture	6	230	232	628	108
Non-profit housing	(32)	(6)	0	(8)	(58)
Cooperative housing	(2)	(71)	(52)	(79)	15
Other	(3)	(2)	0	(6)	4
<b>Total Nykredit Realkredit</b>	<b>(78)</b>	<b>166</b>	<b>417</b>	<b>770</b>	<b>30</b>
Totalkredit	100	119	211	153	19
<b>Total impairment losses from mortgage lending</b>	<b>21</b>	<b>284</b>	<b>628</b>	<b>923</b>	<b>48</b>
Set-offs, Totalkredit	(57)	(124)	(179)	(240)	(58)
<b>Total impairment losses from mortgage lending after set-offs</b>	<b>(36)</b>	<b>160</b>	<b>450</b>	<b>682</b>	<b>(10)</b>

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

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



Loss as % of total mortgage lending last 4 quarters, Q1/2017



## Write-offs – mortgage lending

### Write-offs after set-offs – by property type

DKK million, year to date	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Owner-occupied dwellings	34	74	107	93	24
Private rental	7	41	44	73	15
Industry and trades	(7)	9	2	24	43
Office and retail	36	60	86	85	13
Agriculture	54	119	133	227	83
Non-profit housing	-	(2)	2	0	(1)
Cooperative housing	(0)	-	-	7	1
Other	8	9	10	7	7
<b>Total Nykredit Realkredit</b>	<b>131</b>	<b>310</b>	<b>383</b>	<b>516</b>	<b>185</b>
Totalkredit	123	221	350	361	87
<b>Total write-offs from mortgage lending</b>	<b>254</b>	<b>531</b>	<b>733</b>	<b>877</b>	<b>271</b>
Set-offs, Totalkredit	(57)	(124)	(179)	(240)	(58)
<b>Total write-offs from mortgage lending after set-offs</b>	<b>197</b>	<b>407</b>	<b>554</b>	<b>637</b>	<b>213</b>

Note: Write-offs for the year regardless whether the loan has been recognised through profit or loss for the same year. Q1 2017 has not been annualized.

Note: Due to intercompany balancing, set-offs may differ from Nykredit Realkredit Q1 Interim Report 2017.

## Loans, advances and guarantees – bank lending

### Loans and advances

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Public sector</b>	<b>236</b>	<b>383</b>	<b>379</b>	<b>446</b>	<b>428</b>
Agriculture, hunting and forestry	1,880	1,957	2,016	2,091	2,230
Other corporate	70,277	66,312	64,361	70,352	64,875
<b>Total commercial</b>	<b>72,157</b>	<b>68,269</b>	<b>66,377</b>	<b>72,443</b>	<b>67,105</b>
<b>Personal customers</b>	<b>11,543</b>	<b>11,253</b>	<b>11,230</b>	<b>12,205</b>	<b>12,172</b>
<b>Total</b>	<b>83,936</b>	<b>79,905</b>	<b>77,986</b>	<b>85,094</b>	<b>79,705</b>

### Guarantees

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Public sector</b>	<b>17</b>	<b>18</b>	<b>0</b>	<b>151</b>	<b>-</b>
Agriculture, hunting and forestry	533	550	775	570	503
Other corporate	5,970	5,640	5,980	6,473	5,509
<b>Total commercial</b>	<b>6,503</b>	<b>6,190</b>	<b>6,755</b>	<b>7,043</b>	<b>6,012</b>
<b>Personal customers</b>	<b>7,095</b>	<b>7,480</b>	<b>8,773</b>	<b>9,958</b>	<b>9,152</b>
<b>Total</b>	<b>13,615</b>	<b>13,688</b>	<b>15,528</b>	<b>17,152</b>	<b>15,164</b>



# Provisions – bank lending

## Provisions for individual loan impairments and guarantees

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Public sector</b>	-	-	-	-	-
Agriculture, hunting and forestry	77	83	84	85	86
Other corporate	2,053	1,877	1,833	1,786	1,698
<b>Total commercial</b>	<b>2,130</b>	<b>1,960</b>	<b>1,917</b>	<b>1,871</b>	<b>1,784</b>
<b>Personal customers</b>	<b>569</b>	<b>556</b>	<b>588</b>	<b>588</b>	<b>593</b>
<b>Total</b>	<b>2,699</b>	<b>2,516</b>	<b>2,505</b>	<b>2,459</b>	<b>2,377</b>

## Collective impairment provisions

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Public sector</b>	-	-	-	-	-
Agriculture, hunting and forestry	14	20	37	10	13
Other corporate	90	72	81	88	96
<b>Total commercial</b>	<b>104</b>	<b>92</b>	<b>118</b>	<b>98</b>	<b>109</b>
<b>Personal customers</b>	<b>47</b>	<b>41</b>	<b>38</b>	<b>33</b>	<b>37</b>
<b>Total</b>	<b>151</b>	<b>133</b>	<b>156</b>	<b>131</b>	<b>146</b>

## Total impairment provisions

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Public sector</b>	-	-	-	-	-
Agriculture, hunting and forestry	91	103	121	95	99
Other corporate	2,143	1,949	1,914	1,874	1,794
<b>Total commercial</b>	<b>2,234</b>	<b>2,052</b>	<b>2,035</b>	<b>1,969</b>	<b>1,893</b>
<b>Personal customers</b>	<b>616</b>	<b>597</b>	<b>626</b>	<b>621</b>	<b>630</b>
<b>Total</b>	<b>2,850</b>	<b>2,649</b>	<b>2,661</b>	<b>2,590</b>	<b>2,523</b>

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	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Total impairment provisions, rating 0 (DKK million)	56	535	32	547	605
Bond debt outstanding with OEI (DKK million)	13,840	13,642	12,774	13,213	12,818
Total bond debt outstanding (DKK million)	1,109,712	1,108,385	1,104,245	1,107,135	1,113,212
Bond debt outstanding with OEI/total bond debt	1.25%	1.23%	1.16%	1.19%	1.15%

### Non-performing loans (rating -1)

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Total impairment provisions, NPL (DKK million)	2,948	3,321	3,115	3,689	3,561
Bond debt outstanding, NPL (DKK million)	24,836	24,591	25,715	25,074	25,018
Total bond debt outstanding (DKK million)	1,109,712	1,108,385	1,104,245	1,107,135	1,113,212
Bond debt outstanding, NPL/total bond debt	2.24%	2.22%	2.33%	2.26%	2.25%



## Non-performing loans (NPL) – bank lending

### Non performing bank loans (rating NPL)

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
Individual impairment provisions	2,602	2,451	2,455	2,406	2,328
Non-performing loans of which loans and advances subject to individual impairment provisioning	3,849	3,624	3,462	3,493	3,355
Individual impairment provisions as % of loans and advances subject to individual impairment provisioning	67.6%	67.6%	70.9%	68.9%	69.4%

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

##### Q1/2017

DKK billion / %	Negative market value	Total impairment provisions*	Total impairment provision as % of market value
Housing cooperatives	6.2	2.8	44%
Agriculture	1.1	0.3	28%
Other	6.9	0.7	10%
<b>Total</b>	<b>14.2</b>	<b>3.7</b>	<b>26%</b>

\* Individual value adjustments, management judgement and CVA



## Business areas

<b>Retail</b>	Private and Commercial
<b>Totalkredit Partners</b>	Responsible for the Group's mortgage lending to personal and business customers arranged by local and regional banks.
<b>Wholesale clients</b>	Comprises Corporate & Institutional Banking (CIB) and Nykredit Markets.
<b>Wealth Management</b>	Comprises Nykredit Asset Management, Nykredit Portefølje Administration and Private Banking Elite.
<b>Group Items</b>	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	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income</b>					
Retail	1,480	1,494	1,544	1,649	1,753
Totalkredit Partners	638	589	797	812	763
Wholesale clients	467	579	533	537	667
*Wealth Management	155	184	172	196	214
Group items	(16)	(19)	(86)	7	(54)
<b>Income from core business</b>	<b>2,724</b>	<b>2,829</b>	<b>2,958</b>	<b>3,200</b>	<b>3,343</b>

### Lending and deposits – business areas

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Mortgage lending (nominal)</b>					
Retail	432,506	429,538	425,224	421,601	420,657
-of which Nykredit Realkredit	355,874	351,473	343,903	337,888	335,535
-of which Totalkredit	78,819	80,414	83,872	87,192	89,083
Totalkredit Partners	495,778	499,543	500,320	503,767	507,253
Wholesale clients	178,050	175,778	174,278	176,405	179,418
Wealth Management	3,378	3,526	4,419	5,362	5,884
<b>Total mortgage lending</b>	<b>1,109,712</b>	<b>1,108,385</b>	<b>1,104,240</b>	<b>1,107,135</b>	<b>1,113,212</b>
<b>Bank lending</b>					
Retail	27,590	27,721	28,741	30,079	30,945
Wholesale clients	18,762	18,658	20,582	21,555	21,840
Wealth Management	2,063	2,289	2,341	2,603	2,982
Group items	557	888	1,452	767	490
<b>Total bank lending</b>	<b>48,972</b>	<b>49,554</b>	<b>53,115</b>	<b>55,003</b>	<b>56,256</b>
<b>Deposits</b>					
Retail	41,360	43,628	42,983	43,037	43,945
Wholesale clients	10,475	15,030	11,678	12,207	12,902
Wealth Management	6,787	8,564	7,646	9,522	9,751
Group items	961	2,327	2,591	649	1,135
<b>Total deposits</b>	<b>59,583</b>	<b>69,548</b>	<b>64,898</b>	<b>65,415</b>	<b>67,733</b>

# Business areas – Retail

## Result – Retail

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income from</b>					
Business operations	1,505	1,517	1,575	1,670	1,776
Senior debt	(25)	(23)	(30)	(22)	(23)
<b>Income from core business</b>	<b>1,480</b>	<b>1,494</b>	<b>1,545</b>	<b>1,649</b>	<b>1,753</b>
Total costs	790	821	829	870	776
<b>Profit from core business before impairment losses</b>	<b>689</b>	<b>674</b>	<b>717</b>	<b>778</b>	<b>977</b>
Impairment losses on mortgage lending	(25)	289	217	429	52
Impairment losses on bank lending	(3)	5	66	(26)	(2)
<b>Profit from core business</b>	<b>717</b>	<b>379</b>	<b>434</b>	<b>375</b>	<b>927</b>

## Activity – Retail

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Mortgage lending</b>					
Gross new lending, end of period	12,036	24,051	38,396	57,189	13,442
Portfolio at nominal value, end of period	432,506	429,538	425,224	421,601	420,657
Impairment losses for the period as % of lending	-0.01%	0.06%	0.11%	0.22%	0.01%
<b>Total impairment provisions, end of period</b>					
Individual impairment provisions	2,472	2,548	2,736	2,784	2,696
Collective impairment provisions	1,313	1,383	1,344	1,562	1,556
Total impairment provisions as % of lending	0.88%	0.92%	0.96%	1.03%	1.01%
<b>Banking</b>					
Lending, end of period	27,590	27,721	28,741	30,079	30,945
Deposits, end of period	41,360	43,628	42,983	43,037	43,945
Impairment losses for the period as % of lending*	-0.01%	0.04%	0.24%	0.15%	(0.01%)
<b>Total impairment provisions, end of period</b>					
Individual impairment provisions	1,631	1,596	1,632	1,628	1,576
Collective impairment provisions	85	84	103	87	101
Total impairment provisions as % of lending	5.86%	5.71%	5.69%	5.38%	5.14%
Guarantees, end of period	3,980	4,212	4,567	4,510	4,477
Provisions for guarantees, end of period	48	39	43	43	41

\*Including impairment losses from guarantees

## Business areas – Totalkredit Partners

### Result – Totalkredit partners

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income from</b>					
Business operations	672	628	836	836	790
Senior debt	(34)	(38)	(39)	(25)	(27)
<b>Income from core business</b>	<b>638</b>	<b>589</b>	<b>797</b>	<b>812</b>	<b>763</b>
Total costs	137	145	134	160	150
<b>Profit from core business before impairment losses</b>	<b>501</b>	<b>444</b>	<b>663</b>	<b>652</b>	<b>613</b>
Impairment losses on mortgage lending	25	(16)	16	(14)	11
<b>Profit from core business</b>	<b>477</b>	<b>460</b>	<b>647</b>	<b>666</b>	<b>602</b>

### Activity – Totalkredit partners

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Mortgage lending</b>					
Gross new lending, end of period	17,226	39,444	79,791	107,713	22,724
Portfolio at nominal value, end of period	495,778	499,543	500,320	503,767	507,253
Impairment losses for the period as % of lending	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total impairment provisions, end of period</b>					
Individual impairment provisions	470	448	491	483	422
Collective impairment provisions	715	639	562	504	518
Total impairment provisions as % of lending	0.24%	0.22%	0.21%	0.20%	0.19%

## Business areas – Wholesale clients

### Result – Wholesale clients

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income from</b>					
Business operations	469	581	536	538	669
Senior debt	(2)	(2)	(2)	(2)	(2)
<b>Income from core business</b>	<b>467</b>	<b>579</b>	<b>533</b>	<b>536</b>	<b>667</b>
Total costs	172	164	156	160	135
<b>Profit from core business before impairment losses</b>	<b>294</b>	<b>415</b>	<b>378</b>	<b>376</b>	<b>532</b>
Impairment losses on mortgage lending	(33)	(26)	(1)	(39)	(29)
Impairment losses on bank lending	(40)	(68)	(34)	(49)	(49)
<b>Profit from core business</b>	<b>367</b>	<b>509</b>	<b>413</b>	<b>465</b>	<b>610</b>

### Activity – Wholesale clients

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Mortgage lending</b>					
Gross new lending, end of period	5,231	13,098	17,287	28,047	9,605
Portfolio at nominal value, end of period	178,050	175,778	174,278	176,405	179,418
Impairment losses for the period as % of lending	(0.02%)	(0.03%)	(0.03%)	(0.06%)	(0.02%)
<b>Total impairment provisions, end of period</b>					
Individual impairment provisions	418	406	380	330	308
Collective impairment provisions	82	70	89	85	77
Total impairment provisions as % of lending	0.28%	0.27%	0.27%	0.24%	0.21%
<b>Banking</b>					
Lending, end of period	18,762	18,657	20,582	21,554	21,840
Deposits, end of period	10,475	15,030	11,678	12,207	12,902
Impairment losses for the period as % of lending*	(0.19%)	(0.42%)	(0.46%)	(0.67%)	(0.21%)
<b>Total impairment provisions, end of period</b>					
Individual impairment provisions	860	829	800	762	738
Collective impairment provisions	66	48	52	43	44
Total impairment provisions as % of lending	4.84%	4.49%	3.97%	3.60%	3.46%
Guarantees, end of period	1,559	1,471	1,465	1,445	1,764
Provisions for guarantees, end of period	50	25	7	9	8

\*Including impairment losses from guarantees

## Business areas – Wealth Management

### Result – Wealth Management

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income from</b>					
Business operations	155	184	172	196	214
Senior debt	-	(0)	(0)	(0)	(0)
<b>Income from core business</b>	<b>155</b>	<b>184</b>	<b>172</b>	<b>196</b>	<b>214</b>
Total costs	97	97	98	117	109
<b>Profit from core business before impairment losses</b>	<b>58</b>	<b>87</b>	<b>74</b>	<b>79</b>	<b>105</b>
Impairment losses on mortgage lending	(1)	(0)	0	0	(1)
Impairment losses on bank lending	26	(2)	(4)	(5)	(3)
<b>Profit from core business</b>	<b>33</b>	<b>89</b>	<b>78</b>	<b>84</b>	<b>109</b>

### Activity – Wealth Management

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Mortgage lending</b>					
Gross new lending, end of period	102	389	800	1,017	429
Portfolio at nominal value, end of period	3,378	3,526	4,419	5,362	5,884
Impairment losses for the period as % of lending	(0.01%)	(0.01%)	(0.03%)	0.00%	(0.02%)
<b>Total impairment provisions, end of period</b>					
Individual impairment provisions	-	-	-	-	0
Collective impairment provisions	2	1	1	2	2
Total impairment provisions as % of lending	0.06%	0.03%	0.03%	0.04%	0.03%
<b>Banking</b>					
Lending, end of period	2,063	2,289	2,341	2,603	2,982
Deposits, end of period	6,787	8,564	7,646	9,522	9,751
Impairment losses for the period as % of lending	1.20%	1.06%	0.86%	0.53%	-0.10%
<b>Total impairment provisions, end of period</b>					
Collective impairment provisions & Individual impairment provisions	29	28	24	17	14
Total impairment provisions as % of lending	1.39%	1.21%	1.01%	0.65%	0.47%
Guarantees, end of period	287	391	472	549	799
Provisions for guarantees, end of period	1	0	0	0	-
<b>Assets under management</b>	<b>142,752</b>	<b>149,575</b>	<b>154,407</b>	<b>157,056</b>	<b>167,469</b>
<b>Assets under administration</b>					
<b>Nykredit Portefølje Administration A/S</b>	<b>696,541</b>	<b>726,162</b>	<b>748,695</b>	<b>786,549</b>	<b>798,633</b>
of which the investment funds of the Nykredit Group	66,647	67,874	72,816	74,648	-

## Business areas – Group items

### Result – Group items

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Core income from</b>					
Business operations	30	22	(7)	44	1
Senior and subordinated debt	(57)	(51)	(92)	(50)	(77)
Securities	11	11	12	13	22
<b>Income from core business</b>	<b>(16)</b>	<b>(19)</b>	<b>(86)</b>	<b>7</b>	<b>(54)</b>
Total costs	3	8	32	270	8
<b>Profit from core business before impairment losses</b>	<b>(19)</b>	<b>(27)</b>	<b>(118)</b>	<b>(263)</b>	<b>(62)</b>
Impairment losses on mortgage lending	-	-	-	-	-
Impairment losses on bank lending	-	(6)	-	-	-
<b>Profit from core business</b>	<b>(19)</b>	<b>(21)</b>	<b>(118)</b>	<b>(263)</b>	<b>(63)</b>

### Activity – Group items

DKK million	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/2017
<b>Banking</b>					
Lending, end of period	557	888	1,451	767	490
Deposits, end of period	961	2,327	2,590	649	1,135
<b>Total impairment provisions, end of period</b>					
Individual impairment provisions	53	-	-	-	-
Collective impairment provisions	-	-	-	-	-
Total impairment provisions as % of lending	8.69%	-	-	-	-
Guarantees, end of period	706	171	216	190	145

# The Danish economy

## Nykredit's regional housing price forecasts

%	2014	2015	2016	2017F	2018F
<b>Houses – Denmark</b>	<b>1.8</b>	<b>6.5</b>	<b>3.7</b>	<b>3.8</b>	<b>2.9</b>
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
<b>Owner-occupied flats – Denmark</b>	<b>5.3</b>	<b>10.6</b>	<b>7.7</b>	<b>5.5</b>	<b>4.1</b>
Copenhagen	7.5	12.8	9.3	7.8	4.9
Municipality of Aarhus	5.0	10.4	5.2	4.6	4.6
<b>Holiday homes - Denmark</b>	<b>(2.5)</b>	<b>1.5</b>	<b>(0.0)</b>	<b>2.2</b>	<b>2.0</b>

Note: F indicates forecast

Price growth is stated as annual averages. Selected regions.



# The Danish economy

## Danish economy - key figures

%	2012	2013	2014	2015	2016
Real GDP growth (2010 chained volume)	0.2%	0.9%	1.7%	1.6%	1.3%
Inflation	2.4%	0.8%	0.6%	0.5%	0.3%
Public deficit as % of nominal GDP	(3.5%)	(1.0%)	1.4%	(1.3%)	(0.9%)
Balance of payment as % of nominal GDP*	6.3%	7.8%	8.9%	9.2%	8.1%
Net unemployment	4.5%	4.4%	4.0%	3.8%	3.4%
Government net foreign assets (DKKm)	685,518	719,851	872,367	689,660	1,156,818

Note: Actual 2017 year data is not yet available



Source: [www.statistikbanken.dk](http://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/oeconomisk-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.

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

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

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