



Fact Book Q2/2017

The Nykredit Realkredit Group

Unaudited

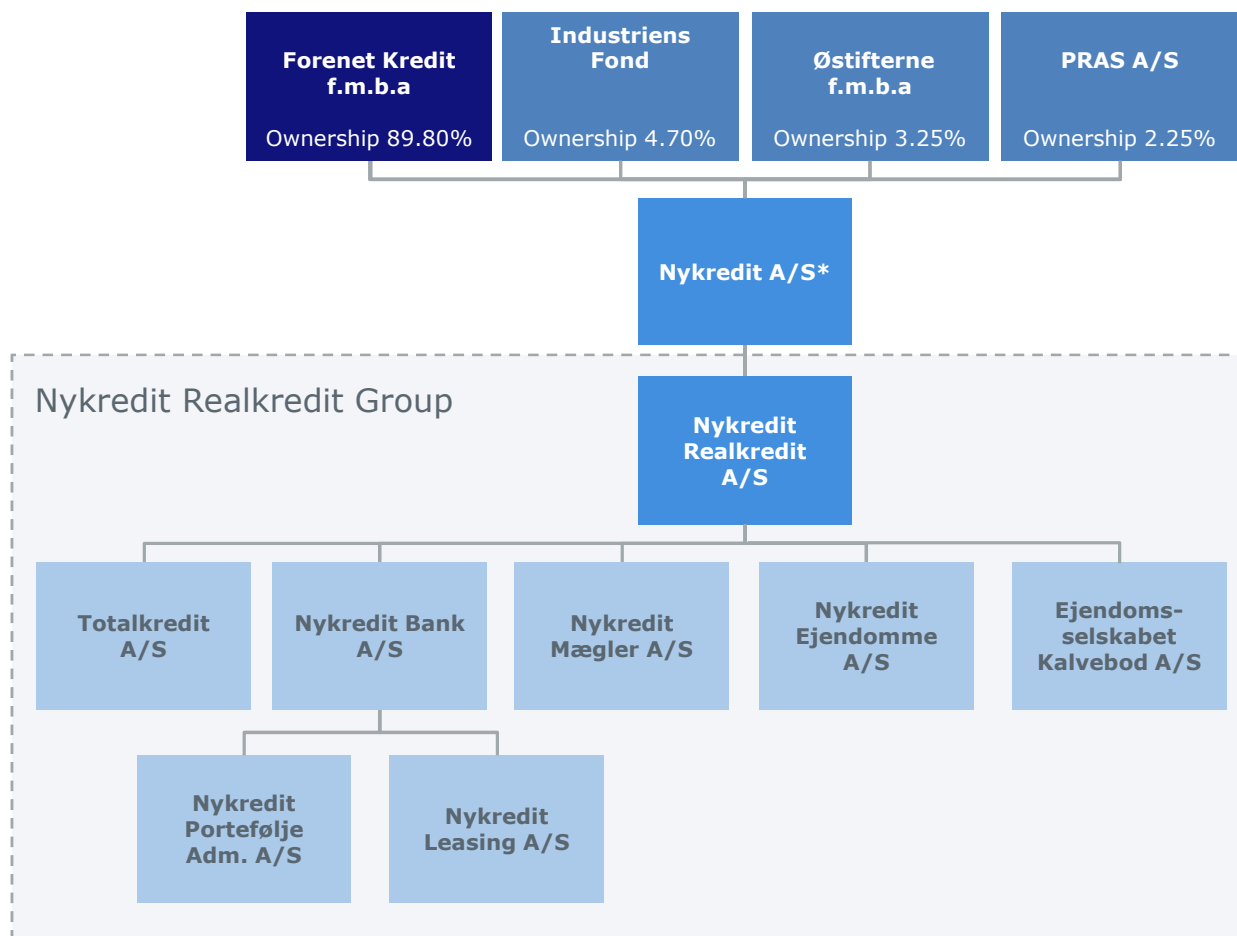


Nykredit

Table of contents

Group chart	3	Loans, advances and guarantees – bank lending	38
Contacts and other information	4	Provisions – bank lending	39
The Nykredit Realkredit Group history	5	Weak customers and non-performing loans (NPL) – mortgage lending	40
Rating	6	Non-performing loans (NPL) – bank lending	41
Market share – lending	7	Business areas	42
Results – the Nykredit Realkredit Group	8	Core income – business areas	43
Balance sheet summary – the Nykredit Realkredit Group	9	Retail	44
Lending and deposits	11	Totalkredit Partners	45
Breakdown of core earnings – the Nykredit Realkredit Group	12	Wholesale clients	46
Breakdown of costs	13	Wealth Management	47
Results – the Nykredit Bank Group	14	Group items	48
Balance sheet summary – the Nykredit Bank Group	15	The Danish economy	49
Income from securities	16	Regional housing prices	49
Ratios and keyfigures – the Nykredit Realkredit Group	17	Key figures	50
Capital ratios and keyfigures	18	Appendix	51
Mortgage lending	20	Capital requirements and leverage ratio	52
Bond portfolio	25	Own funds	53
Arrears – mortgage lending	26	Credit exposure	54
Geographical distribution of arrears – mortgage lending	27	Credit exposure by rating	55
Reposessed properties and forced sales	28	Risk weights by rating	56
Risk relating to mortgage lending	29	LGD by rating	57
LTV	31	CF by rating	58
Expiry of interest-only period – mortgage lending	32	Unutilised commitments by rating	59
Interest-only loans prevalent where LTVs are low	33	Definitions	60
Impairment provisions and write-offs – mortgage lending	34		
Impairment provisions and losses – mortgage lending	35		
Geographical distribution of write-offs – mortgage lending	36		
Write-offs – mortgage lending	37		

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 contains:

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

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 debt (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-	
Senior 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	

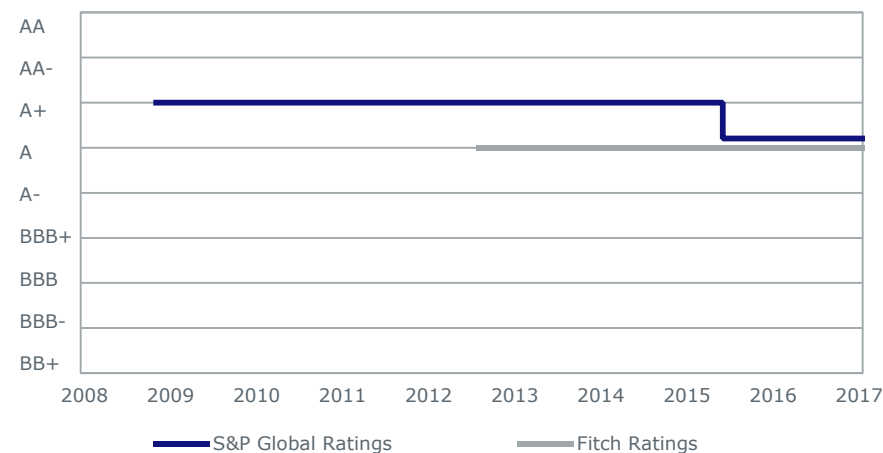
Nykredit Bank A/S

	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

Rating history

Long term senior unsecured debt

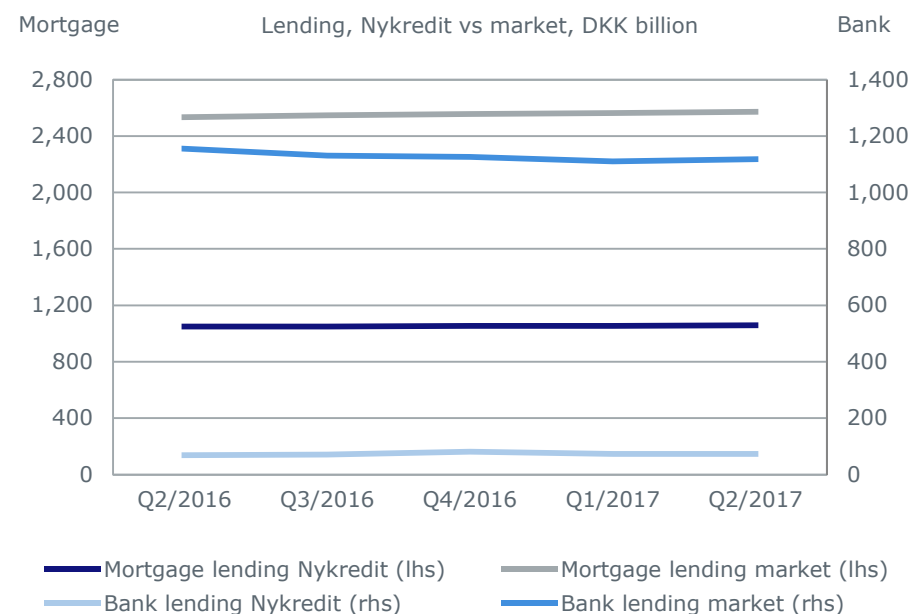
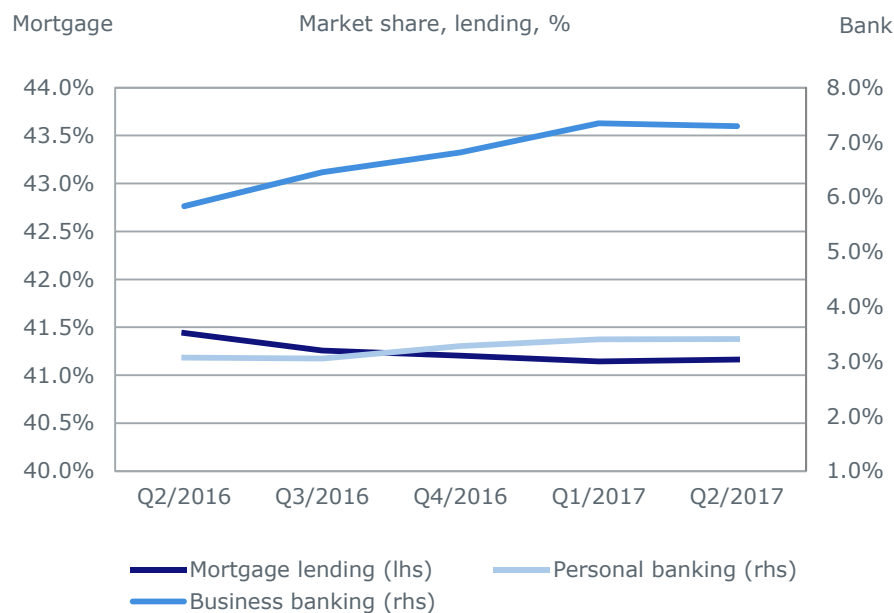
Nykredit Realkredit and Nykredit Bank



Market share – lending

Market share*

DKK billion	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Business banking	27	29	31	33	34
Personal banking	13	13	14	14	14
Other	30	29	37	26	25
Mortgage lending	1,050	1,051	1,053	1,054	1,059
Total	1,118	1,121	1,135	1,128	1,132
Market share					
Business banking	5.8%	6.5%	6.8%	7.3%	7.3%
Personal banking	3.1%	3.1%	3.3%	3.4%	3.4%
Other	10.2%	10.9%	14.0%	11.1%	10.1%
Mortgage lending	41.4%	41.3%	41.2%	41.1%	41.2%
Total	30.3%	30.5%	30.8%	30.8%	30.7%



*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	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from					
Business operations	2,932	3,110	3,285	3,450	3,370
Senior and subordinated debt	(115)	(164)	(98)	(129)	(118)
Securities	11	12	13	22	21
Income from core business	2,828	2,958	3,200	3,343	3,273
Operating costs, depreciation and amortisation	1,235	1,249	1,576	1,178	1,187
Profit from core business before impairment losses	1,593	1,709	1,624	2,165	2,086
Impairment losses on mortgage lending	246	232	377	33	(274)
Impairment losses on bank lending	(70)	28	(82)	(54)	(152)
Profit from core business	1,417	1,449	1,329	2,186	2,513
Legacy derivatives	(510)	66	422	337	1,029
Gain on sale of owner-occupied properties	-	-	369	-	-
Investment portfolio income	473	580	218	465	338
Profit (loss) before tax	1,380	2,095	2,338	2,988	3,880
Tax	282	435	472	639	797
Profit (loss) for the period	1,098	1,660	1,866	2,349	3,083
Minority interests	1	0	(2)	-	-
Profit for the period excluding minority interests	1,097	1,660	1,868	2,349	3,083

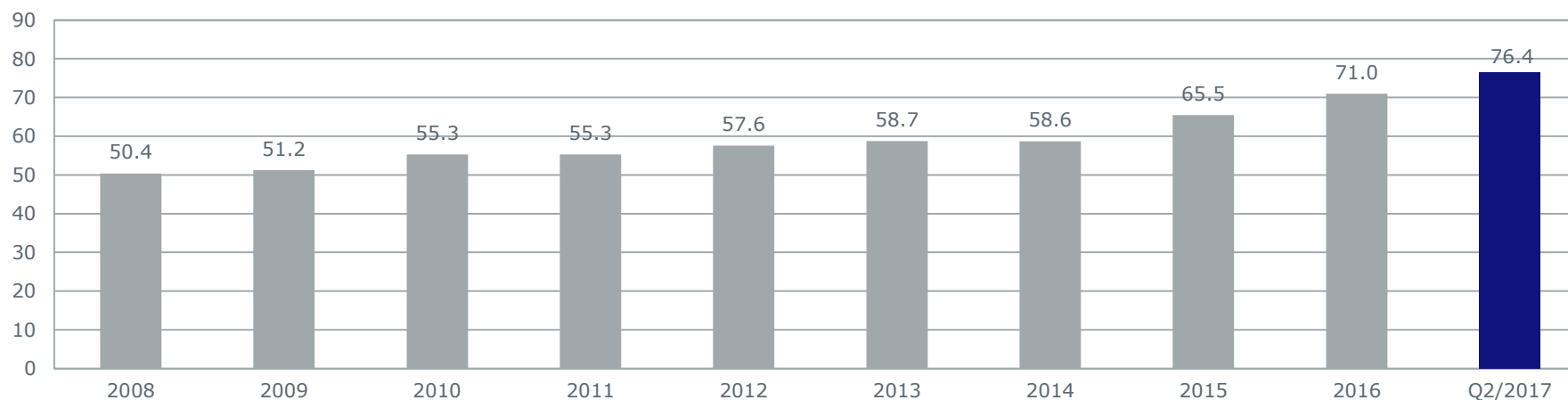
Note: Largely all the Group's investment activities are marked to market, for which reason group earnings exhibit a certain degree of volatility.

Balance sheet summary – the Nykredit Realkredit Group

The Nykredit Realkredit Group

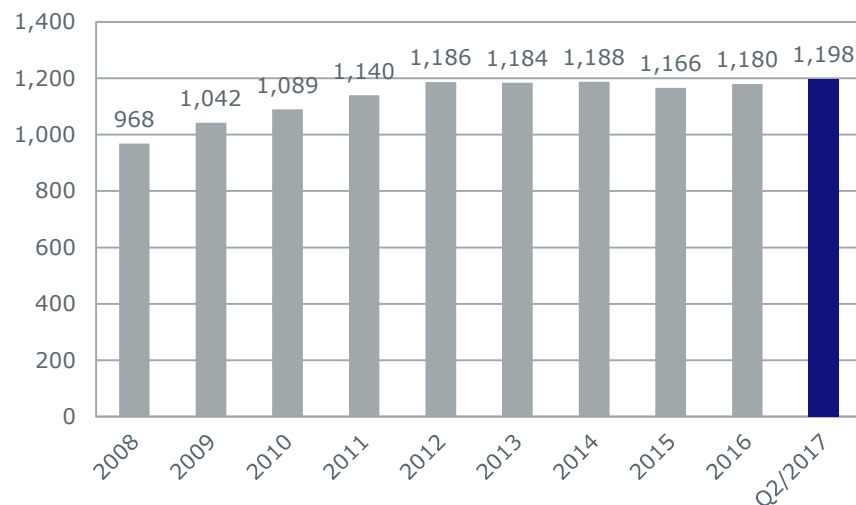
DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Assets					
Receivables from credit institutions and central banks	43,707	41,685	34,829	40,240	33,704
Mortgage loans at fair value	1,127,725	1,127,516	1,124,693	1,133,497	1,140,548
Bank lending - excl reverse transactions	49,554	53,115	55,003	56,256	57,544
Bonds and equities	106,387	108,574	116,555	103,043	95,088
Remaining assets	79,921	74,910	69,525	57,180	52,815
Total assets	1,407,294	1,405,800	1,400,606	1,390,216	1,379,698
Liabilities and equity					
Payables to credit institutions and central banks	28,131	19,362	21,681	17,885	14,420
Deposits	69,547	64,897	65,415	67,733	69,442
Bonds in issue at fair value	1,142,561	1,151,669	1,152,383	1,146,919	1,140,474
Subordinated debt	11,260	11,276	11,078	11,010	10,956
Remaining liabilities	88,778	89,720	79,092	73,372	67,998
Equity	67,017	68,877	70,957	73,297	76,407
Total liabilities and equity	1,407,294	1,405,800	1,400,606	1,390,216	1,379,698

Equity, DKKbn

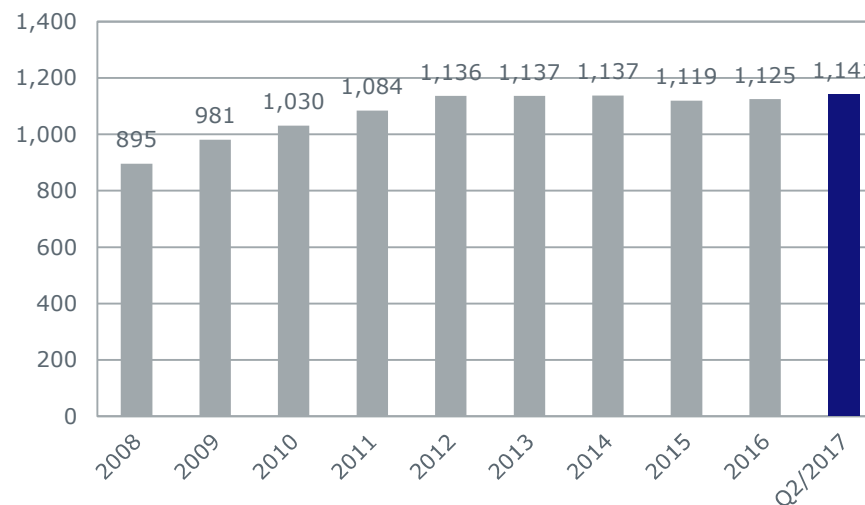


Balance sheet summary – the Nykredit Realkredit Group

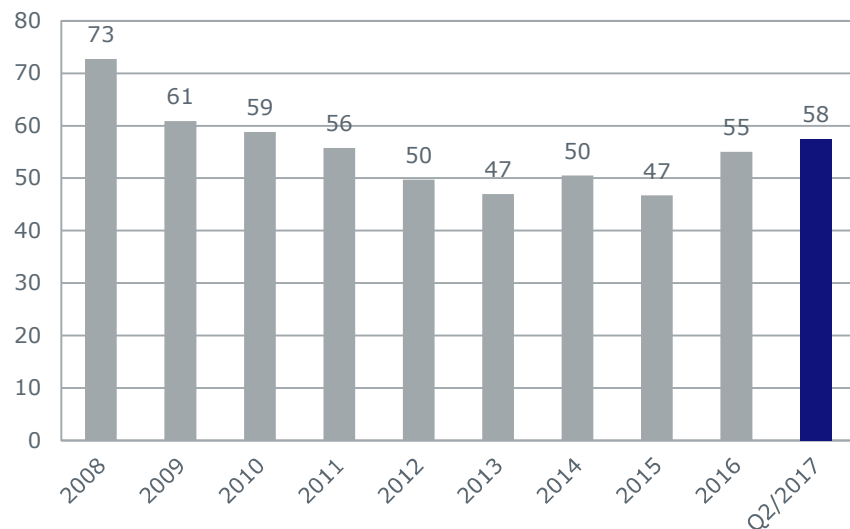
Total lending, DKKbn



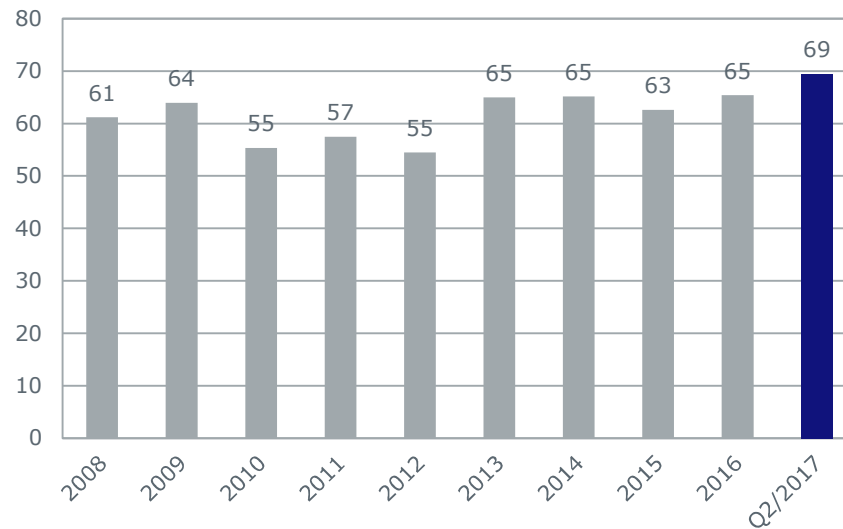
Mortgage lending, fair value DKKbn



Bank lending, fair value DKKbn



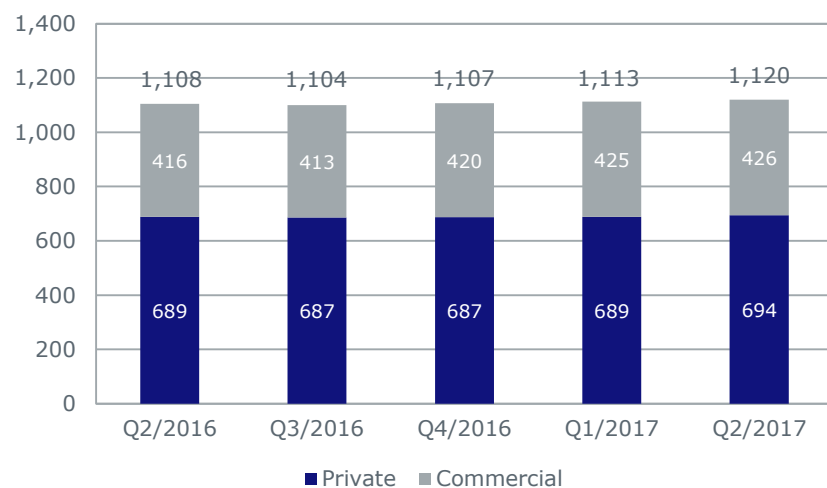
Bank deposits, DKKbn



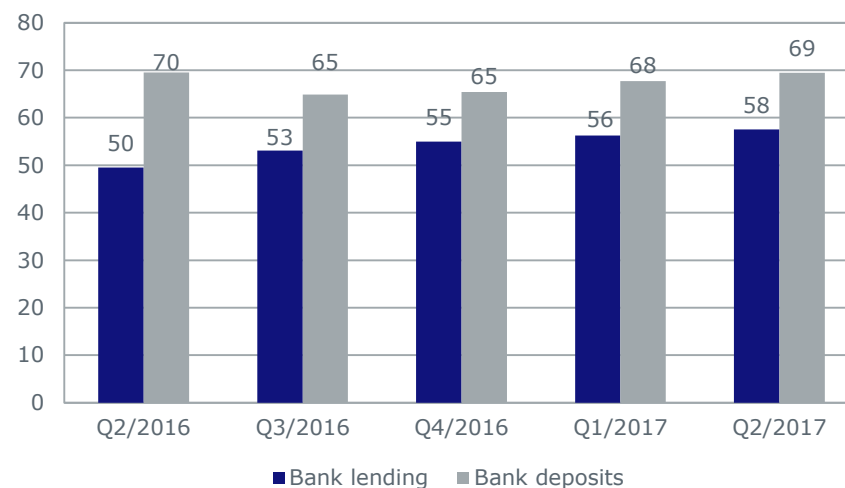
Note: Mortgage lending based on fair value. Bank lending excludes reverse transactions.

Lending and deposits

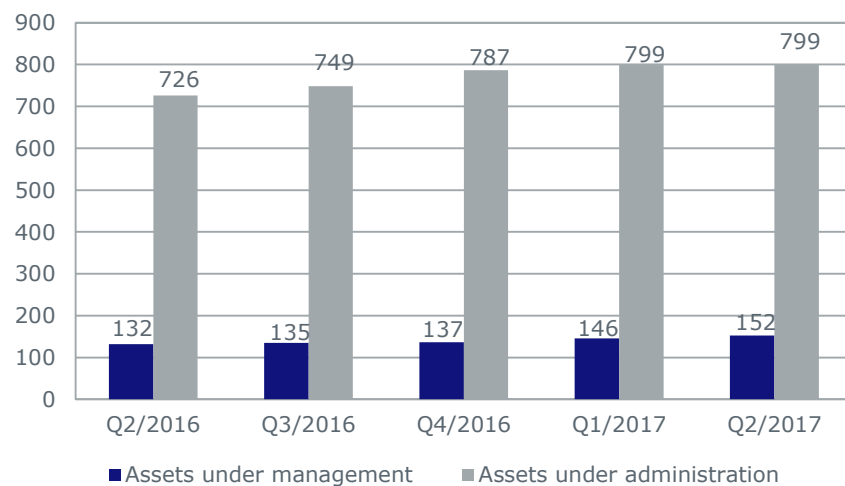
Nominal mortgage lending, DKKbn



Bank lending and bank deposits, DKKbn



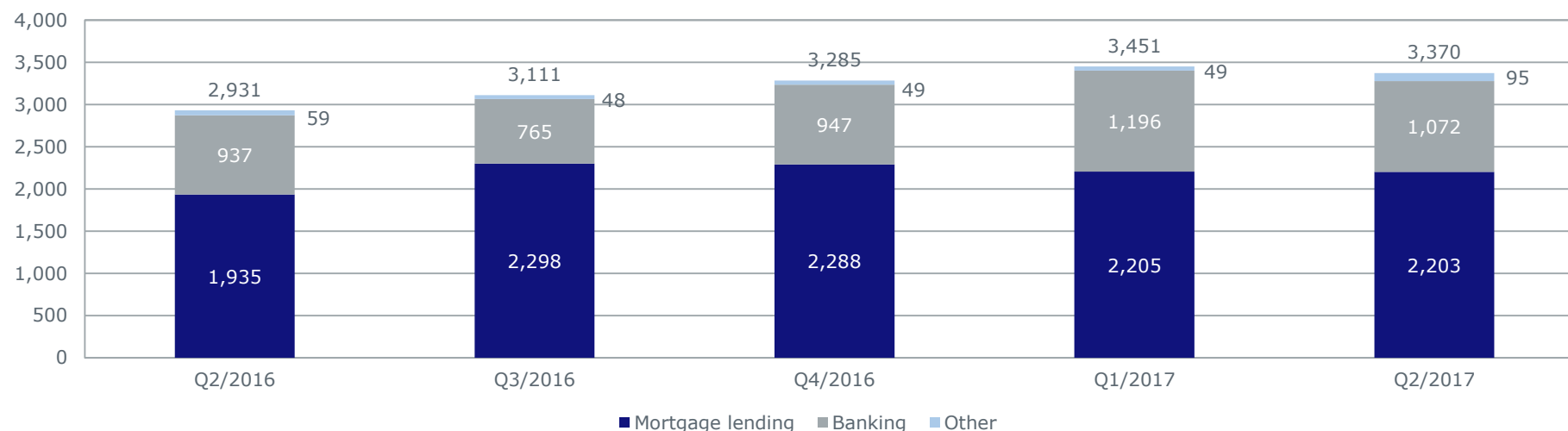
Assets under administration, DKKbn



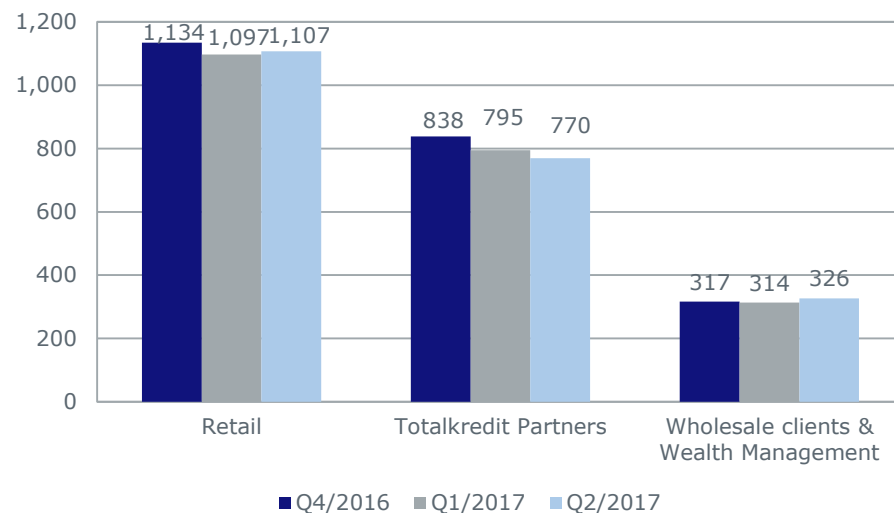
Note: Compared with previously, Assets under Management are determined according to a new definition based on the rules in MiFID II.

Breakdown of core income – the Nykredit Realkredit Group

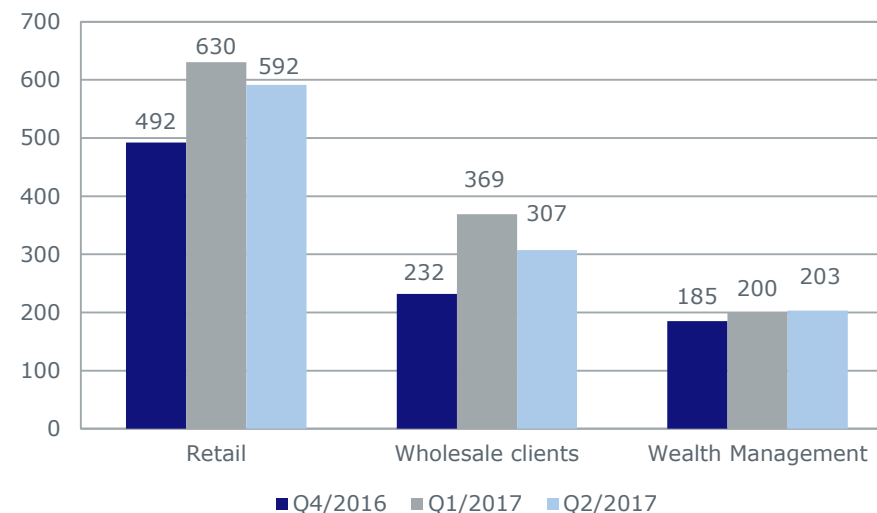
Core income from business operations, DKKm



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

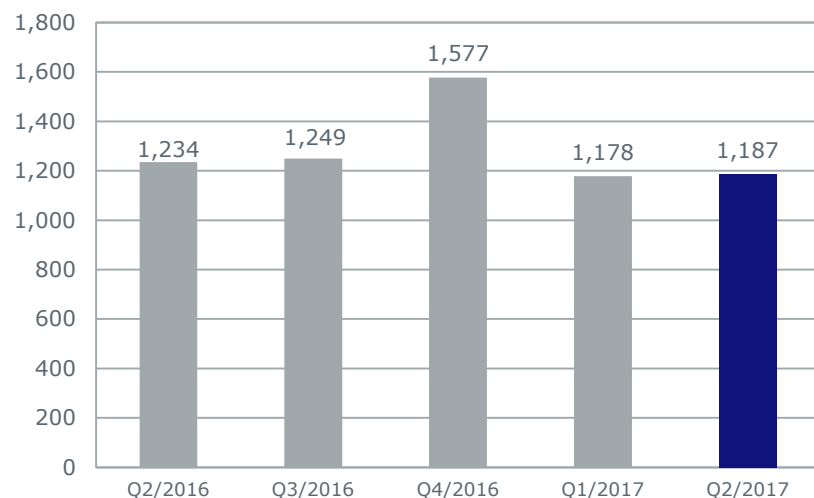


Banking - Core income from business operations by business area
excl Group items, DKKm



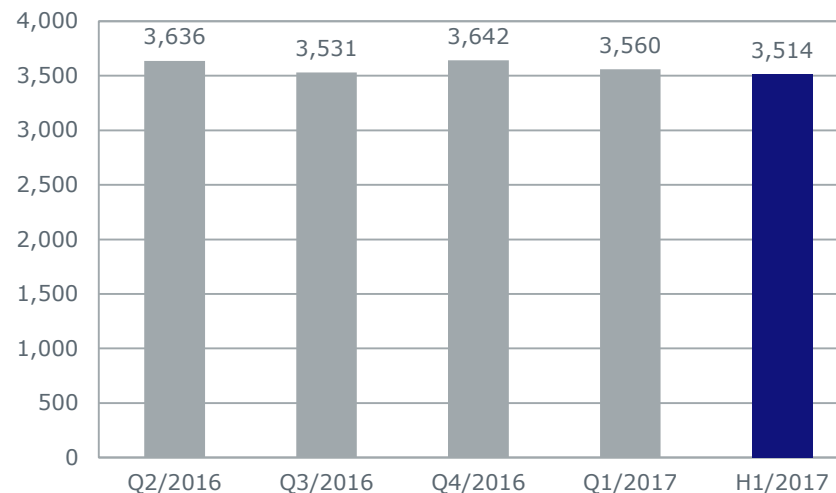
Breakdown of costs

Operating costs, the Nykredit Realkredit Group, DKKm

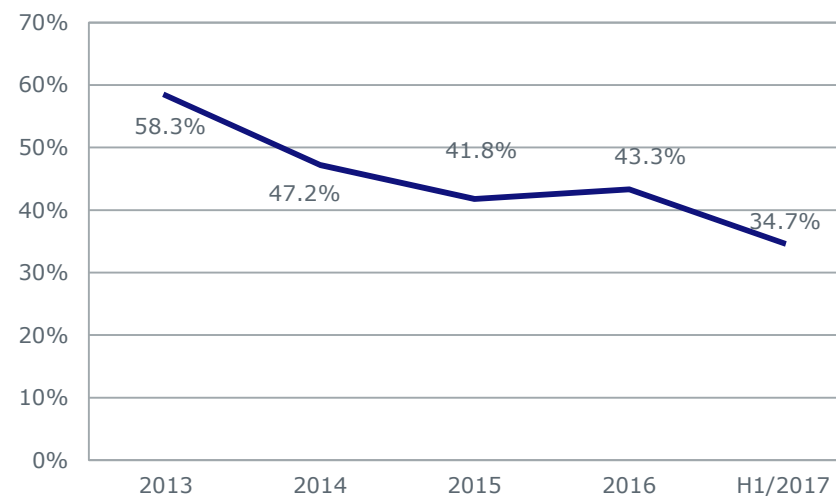


Note: Operating costs incl mortgage business contribution to Resolution Fund and provisions for restructuring

Average number of full-time employees



Cost:income ratio, %



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

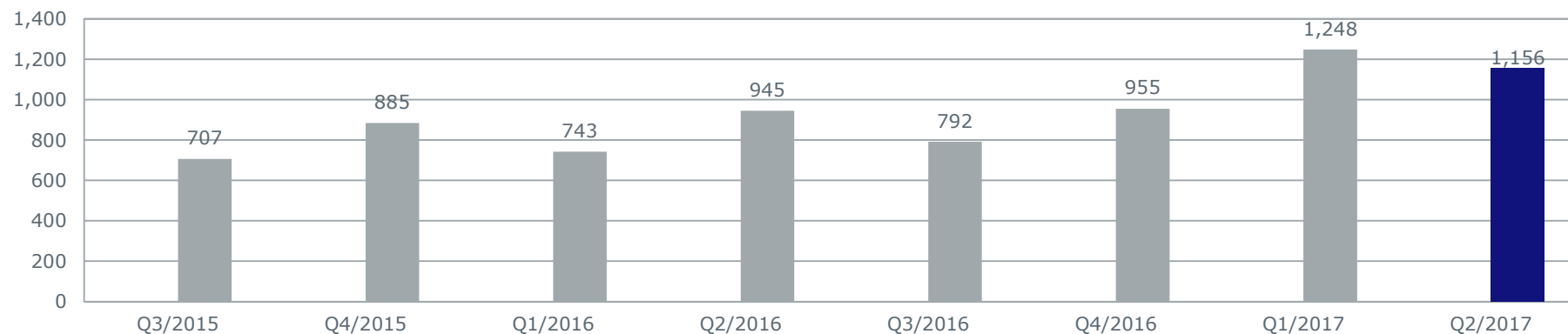


Results – the Nykredit Bank Group

The Nykredit Bank Group

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from					
Business operations	944	790	953	1,246	1,154
Securities	1	2	2	2	2
Income from core business	945	792	955	1,248	1,156
Operating costs, depreciation and amortisation	500	500	586	470	483
Profit from core business before impairment losses	445	292	369	778	673
Impairment losses on bank lending	(70)	27	(82)	(55)	(152)
Profit from core business	515	265	451	833	825
Legacy derivatives	(510)	66	422	337	1,029
Investment portfolio income	30	10	(1)	34	(4)
Profit (loss) before tax	34	341	872	1,204	1,850
Tax	(5)	74	194	264	407
Profit (loss) for the period	39	267	678	940	1,443

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	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Assets					
Cash balance and receivables from credit institutions and central banks	37,410	35,409	35,723	36,324	25,486
Loans, advances and other receivables at fair value	30,350	24,871	30,091	23,449	21,511
Loans, advances and other receivables at amortised cost	49,554	53,115	55,003	56,256	57,544
Bonds at fair value and equities	38,144	41,168	42,576	35,277	36,205
Remaining assets	39,558	38,893	31,533	26,945	25,041
Total assets	195,016	193,456	194,926	178,251	165,787
Liabilities and equity					
Payables to credit institutions and central banks	40,205	47,668	51,606	48,346	41,252
Deposits and other payables	69,643	65,031	66,263	68,035	69,716
Bonds in issue at amortised cost	14,990	12,071	10,158	9,278	6,366
Other non-derivative financial liabilities at fair value	21,075	19,598	21,348	12,889	10,149
Remaining payables	33,081	32,805	26,546	19,784	16,958
Provisions	222	217	261	235	219
Subordinated debt	-	-	2,000	2,000	2,000
Equity	15,800	16,065	16,744	17,684	19,127
Total liabilities and equity	195,016	193,456	194,926	178,251	165,787

Nykredit Bank A/S

Supervisory diamond (calculated at parent level)

	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Lending growth (limit value <20%)*	(0.1)	11.9	17.9	15.7	16.9
Large exposures (limit value <125%)	0.0	-	-	-	-
Property exposure (limit value <25%)	12.7	13.4	12.6	12.8	12.1
Funding ratio (limit value < 1.0%)	0.5	0.6	0.6	0.6	0.6
Excess liquidity coverage (limit value >50%)	246.5	241.4	264.7	275.4	264.9

* 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	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from securities	11	12	13	22	21
Investment portfolio income	473	579	218	464	338
Total investment portfolio income through profit or loss	484	591	231	486	360
Investment portfolio income through equity	(149)	207	301	6	129
Total investment portfolio income	335	798	532	492	489
- of which bonds	371	482	174	349	183
- of which equity	53	90	42	91	76
- of which strategic equities	(107)	207	301	24	199
- of which others	18	20	15	28	31

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	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Net interest margin, p.a., %					
The Nykredit Realkredit Group	0.78%	0.85%	0.91%	0.86%	0.87%
The Nykredit Bank Group	0.70%	0.85%	1.00%	0.82%	0.94%
Nykredit Realkredit A/S	0.82%	0.70%	0.73%	0.78%	0.74%
Totalkredit A/S	0.78%	0.89%	0.92%	0.82%	0.84%
Impairment losses for the period as % of lending					
Mortgage lending	0.02%	0.02%	0.03%	0.00%	(0.02%)
Banking	(0.07%)	0.03%	(0.08%)	(0.06%)	(0.17%)
Write-offs, year to date					
Mortgage lending	479	682	969	269	455
Banking	239	266	314	47	157
Swaps	299	392	1,287	23	-686
Total provisions for loan impairment					
Mortgage lending	5,494	5,605	5,751	5,577	5,167
Banking (including guarantees excluding financial institutions)	2,649	2,661	2,590	2,522	2,267
Swaps	6,101	5,978	4,160	3,749	3,324

Ratios

	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017	H1/2017
Return on average equity, before tax, p.a., %	8.4%	12.7%	13.8%	17.2%	21.5%	19.3%
Return from core business on average equity, p.a., %	8.7%	8.7%	7.7%	12.5%	13.8%	13.1%
Return on assets, year-to-date p.a. %	0.26%	0.33%	0.38%	0.68%	0.78%	0.78%
Return on REA, p.a. %	1.44%	1.86%	2.14%	2.79%	3.66%	3.22%

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

%	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Total capital ratio, %	24.8%	22.0%	23.0%	23.9%	25.5%
Common Equity Tier 1 (CET1) capital ratio, %	20.2%	17.9%	18.8%	19.4%	20.9%
Leverage ratio, %	4.4%	4.6%	4.6%	4.6%	5.0%

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

%	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Retail - Mortgage	12.4%	12.9%	12.6%	12.5%	12.6%
Commercial - Mortgage	22.4%	28.6%	27.8%	27.6%	27.5%
Total Mortgage	-	17.6%	17.1%	17.1%	17.1%
Retail - Banking	53.0%	42.0%	42.3%	42.0%	40.7%
Business - Banking	37.1%	70.1%	64.5%	70.6%	70.1%
Retail - Group	14.0%	14.1%	13.8%	13.6%	13.7%
Commercial - Group	25.7%	38.8%	37.2%	36.9%	36.5%

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

Capital ratios and keyfigures

Ratios

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
The Nykredit Realkredit Group					
CET1, fully loaded ¹	61,360	63,926	65,635	65,646	70,835
Distance to MDA, not fully loaded ²	39,898	37,886	40,860	38,135	43,495
Distance to MDA, fully loaded ^{1, 3}	37,196	37,826	29,890	31,134	36,426
Available Distributable Items (ADI)	27,330	30,138	29,890	32,095	33,490 ⁴
Asset encumbrance	84.1%	84.0%	83.9%	84.1%	84.9%
Nykredit Realkredit A/S					
Internal capital adequacy requirement, %	10.0%	9.4%	9.2%	9.2%	9.1%
CET1, fully loaded ¹	61,706	64,520	66,718	66,749	72,224
Distance to MDA, not fully loaded ²	36,238	36,090	40,978	36,998	42,156
Distance to MDA, fully loaded ^{1, 3}	34,416	36,034	28,839	28,935	33,947
Available Distributable Items (ADI)	28,470	29,375	19,856	21,278	22,483 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 8.182% for Nykredit Realkredit Group and 7.566% for Nykredit Realkredit A/S.

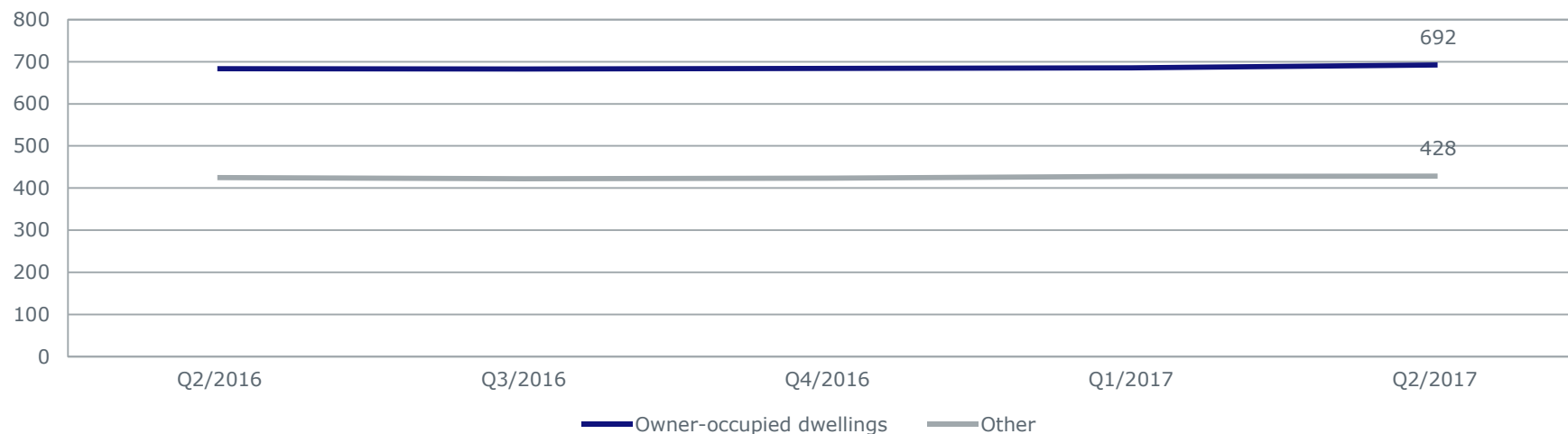
³ Maximum Distributable Amount (MDA): Estimated MDA buffers calculated under the assumption that AT1 and T2 requirements are covered by relevant capital instruments and that the CET1 requirement is 10.176% for Nykredit Realkredit Group and 9.616% for Nykredit Realkredit A/S (CET1 requirements are fully 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 86.3bn. Maximum capital requirement is the transitional floor of DKK 48.3bn. However retained earnings amount to DKK 33.5bn and that is the maximum amount available for distribution.

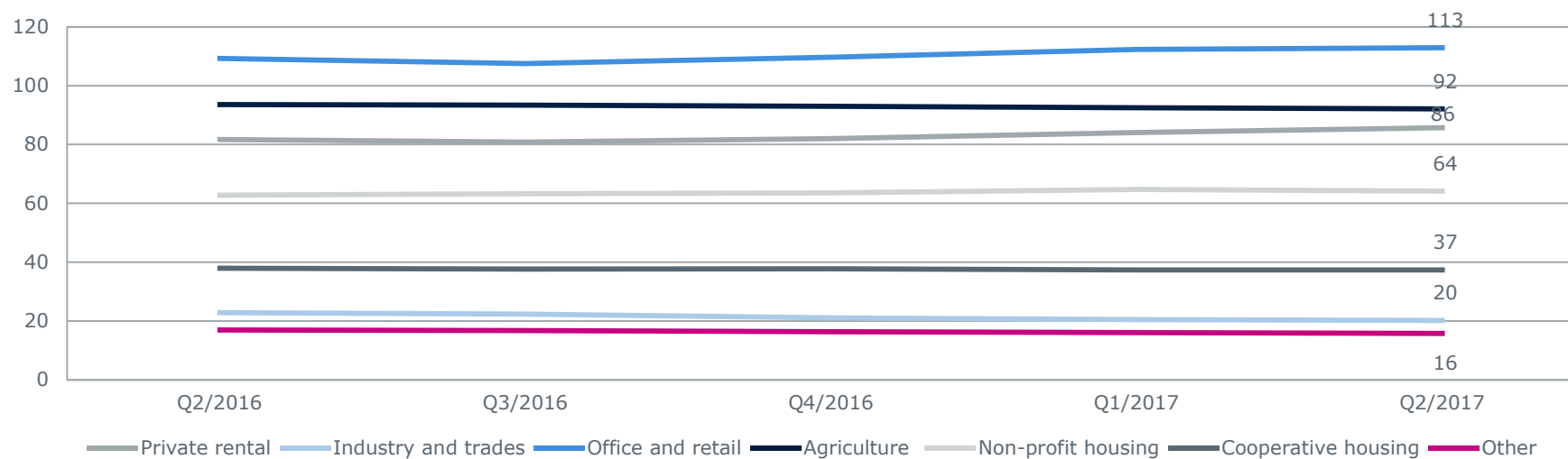
⁵ According to Danish legislation, capital cannot be distributed if dividend payments impair any regulatory capital requirements. Nykredit Realkredit A/S total capital amounts to DKK 86.8bn. Maximum capital requirement is the internal capital adequacy requirement (Pillar I and Pillar II) of DKK 36.2bn. However retained earnings amount to DKK 22.5bn and that is the maximum amount available for distribution.

Mortgage lending

Mortgage lending, nominal value, DKKbn



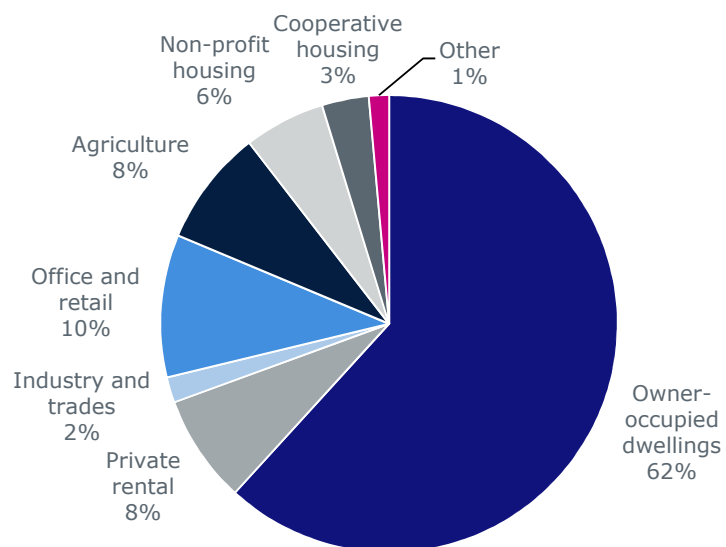
Mortgage lending by property type (excl. private residential property), nominal value, DKKbn



Mortgage lending

Mortgage lending – by property type

DKK million, nominal value	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017	Average impairment losses Q3/2016 - Q2/2017	Average write-offs Q3/2016 - Q2/2017
Owner-occupied dwellings	683,344	682,357	683,759	685,684	692,088	0.01%	0.00%
Private rental	81,707	80,847	82,021	84,057	85,772	(0.20%)	(0.00%)
Industry and trades	22,814	22,398	21,082	20,478	20,249	(0.20%)	0.09%
Office and retail	109,250	107,466	109,625	112,285	112,909	0.02%	(0.00%)
Agriculture	93,624	93,414	92,976	92,468	92,075	(0.01%)	0.02%
Non-profit housing	62,766	63,294	63,554	64,753	64,166	0.01%	0.00%
Cooperative housing	37,908	37,708	37,731	37,396	37,332	(0.42%)	(0.00%)
Other	16,972	16,759	16,386	16,092	15,816	0.01%	0.01%
Total	1,108,385	1,104,245	1,107,135	1,113,212	1,120,405	(0.03%)	0.00%



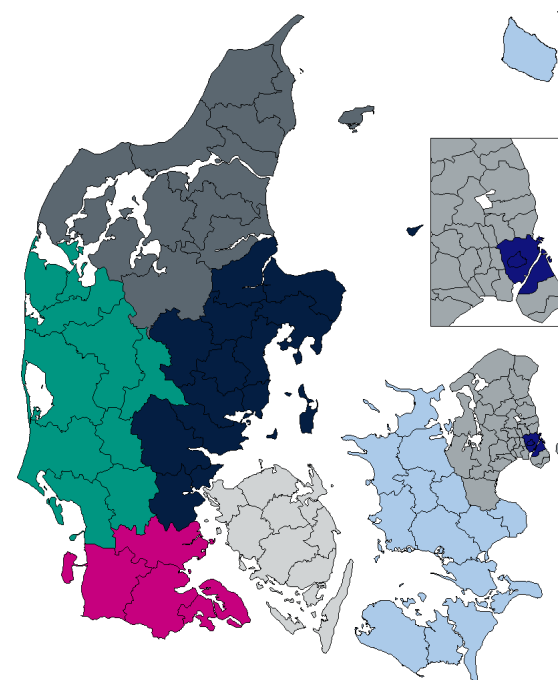
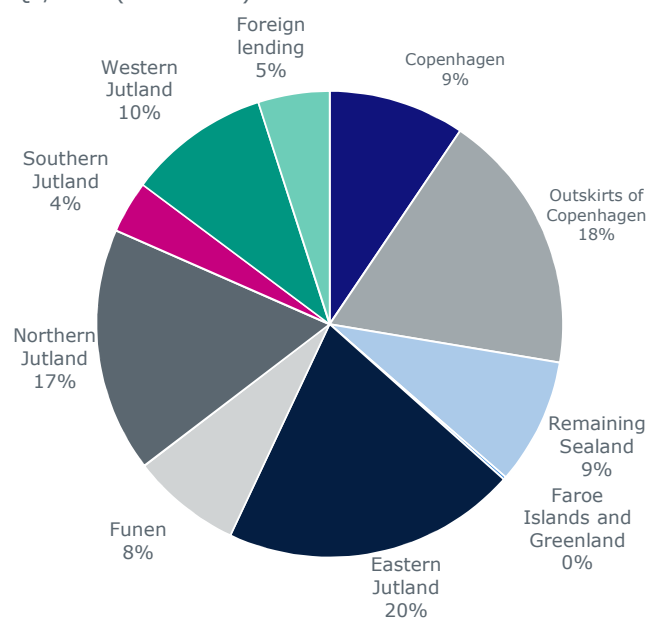
Note: The breakdown by property type is not directly comparable with the Group's business areas. Impairment losses and write-offs has been annualized for the calculation of average impairment losses and average write-offs.

Mortgage lending

Mortgage lending at nominal value by geography

DKK billion	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Copenhagen	101	101	103	105	106
Outskirts of Copenhagen	200	199	200	203	204
Remaining Sealand	99	99	98	98	98
Faroe Islands and Greenland	2	2	2	2	2
Eastern Jutland	226	225	226	227	229
Funen	86	86	85	85	86
Northern Jutland	190	190	189	189	190
Southern Jutland	41	40	40	41	41
Western Jutland	111	111	110	110	110
Foreign lending	52	51	52	53	55
Total	1,108	1,104	1,107	1,113	1,120

Q2/2017 (DKK billion)



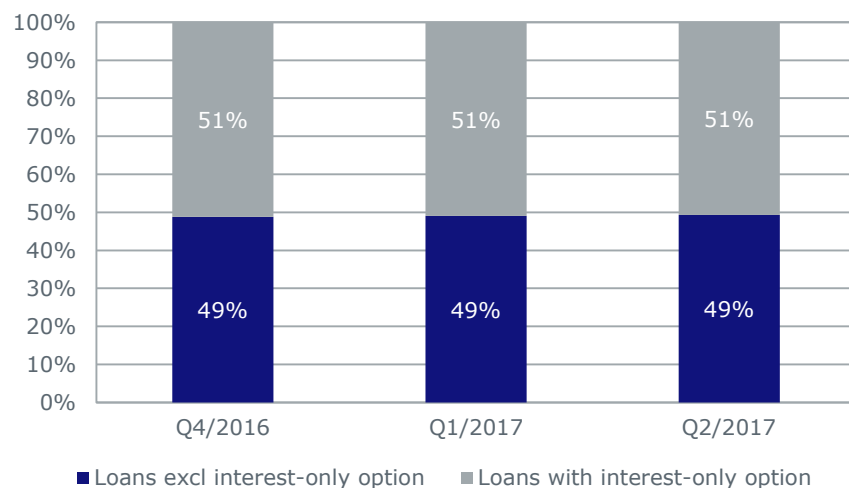
Mortgage lending

Nykredit Realkredit Group Mortgage lending at nominal value

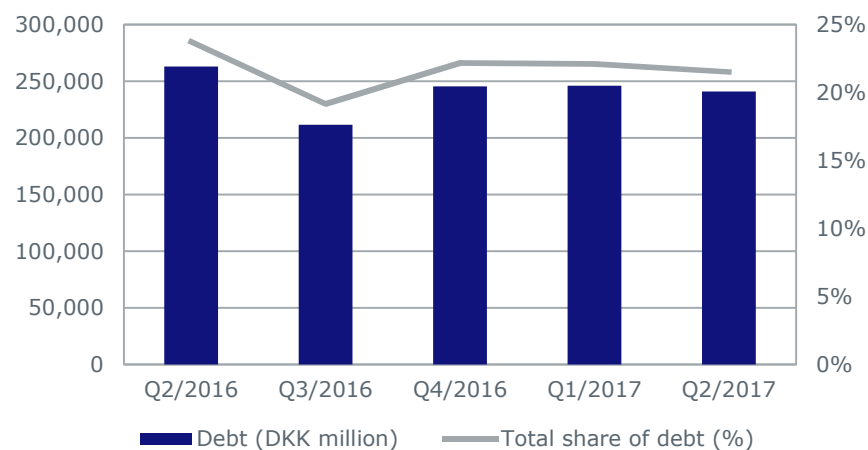
Q2/2017, DKK million	Owner-occ. dwellings	Private rental	Industry and trades	Office and retail	Agriculture	Non-profit housing	Cooperative housing	Other	Total
Capital Region of Denmark	167	23	1	30	2	23	20	5	272
Region Zealand	91	5	2	11	14	7	4	1	135
North Denmark Region	98	10	3	9	23	7	4	1	155
Central Denmark Region	172	21	6	22	28	12	5	5	270
Region of Southern Denmark	151	12	3	17	25	13	5	3	230
Total foreign mortgage lending	13	16	5	23	0	0	0	0	58
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	6	2	18	0	0	0	0	26
United Kingdom	0	0	2	0	0	0	0	0	2
Total mortgage lending	692	86	20	113	92	64	37	16	1,120

Mortgage lending

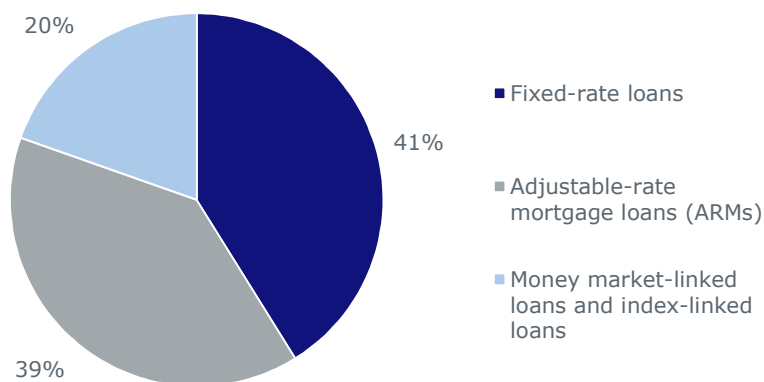
Bond dept outstanding by loan and interest type, all segments



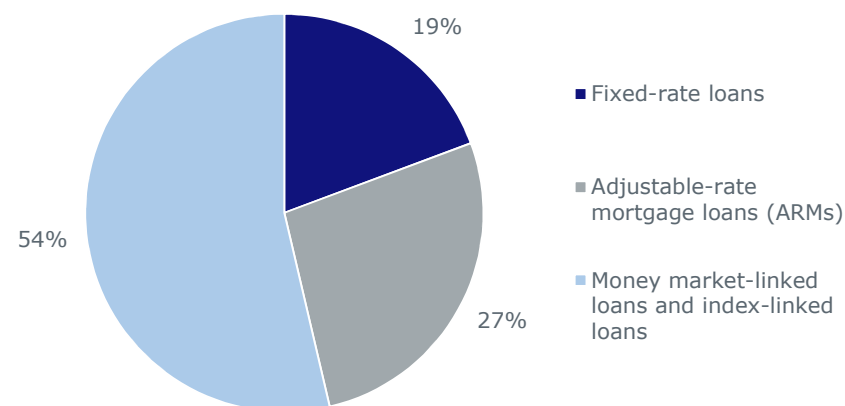
Variable-rate loans with refinancing within one year (ARMs, money market-linked and index-linked), debt outstanding with maturity less than 1 year, all segments, variable-rate loans.



Mortgage lending by loan type, private residential properties, Q2/2017



Mortgage lending by loan type, commercial, Q2/2017



Bond Portfolio

Nykredit Realkredit Group Bond portfolio by type and country

Q2/2017	Government bonds	Covered bonds	Senior secured debt (JCB)	Credit bonds (excl subordinated capital)	Subordinated capital	Total
DKK million						
EU Institutions	1,072	-	-	-	-	1,072
Denmark	9,529	67,672	263	5	275	77,743
Sweden	1,972	4,221	-	-	2	6,195
Norway	33	1,304	-	2	36	1,375
Finland	-	-	-	-	-	-
Germany	5,998	-	-	-	136	6,134
Netherlands	-	223	-	-	764	987
France	-	69	-	636	149	853
Belgium	-	-	-	-	-	-
United Kingdom	-	-	-	-	260	260
Switzerland	-	-	-	-	86	86
Spain	-	-	-	-	-	-
Italy	-	(2)	-	-	(5)	(6)
United States	(13)	-	-	-	-	(13)
Austria	-	300	-	-	-	300
Other	-	274	-	(1)	19	292
Total	18,590	74,061	263	642	1,721	95,277

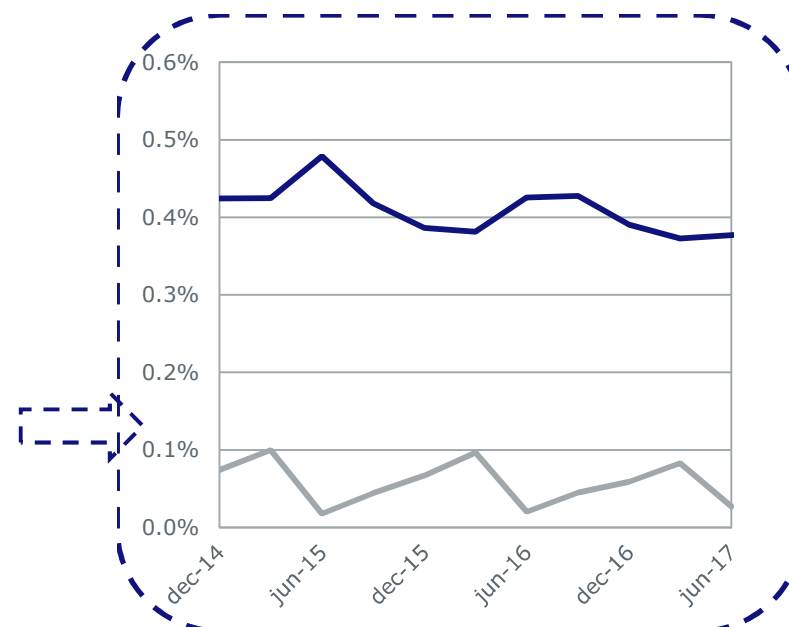
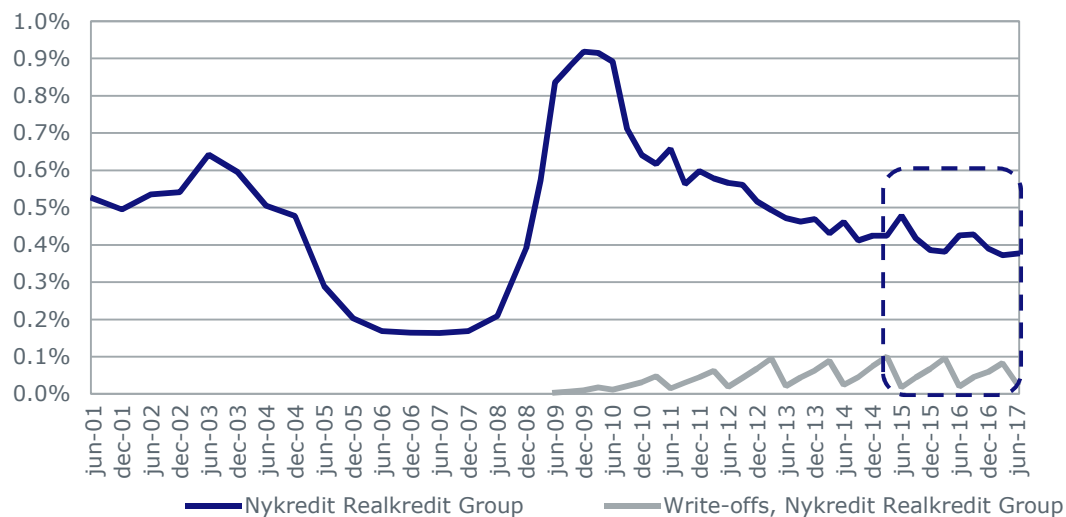
Nykredit Realkredit Group Bond portfolio by type and external category

Q2/2017	Government bonds	Covered bonds	Senior secured debt (JCB)	Credit bonds (excl subordinated capital)	Subordinated capital	Total
DKK million						
Aaa/AAA	15,064	73,598	-	-	-	88,663
Aa1/AA+ - Aa3/AA-	3,257	318	214	567	-	4,356
A1/A+ - Baa3/BBB-	-	66	-	69	786	921
Ba1/BB+ or below	-	(2)	-	3	839	841
Not rated	269	80	48	3	96	496
Total	18,590	74,061	263	642	1,721	95,277

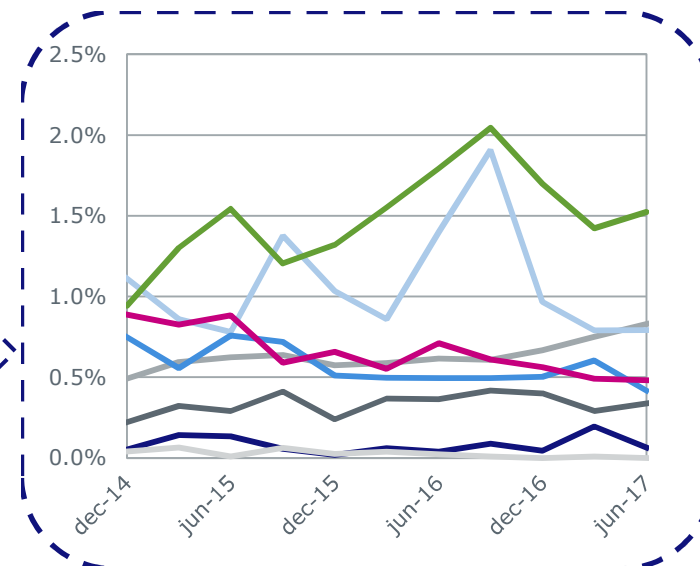
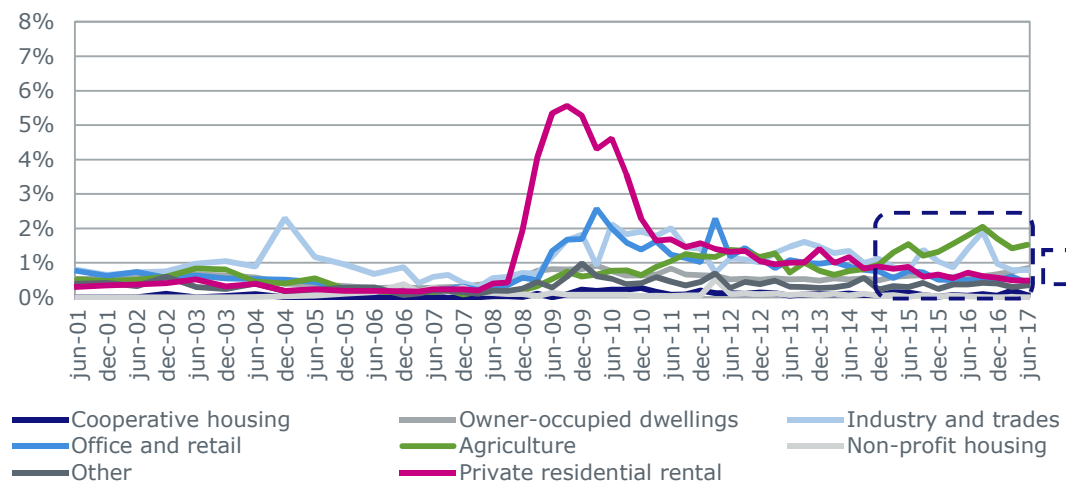
Note: Calculation of market risk covers both the trading and the banking book. As some of the mortgage activities have been classified as belonging to the banking book, interest rate risk outside the trading book and interest rate risk from mortgage activities overlap. Above figures are market values,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

Arrears – mortgage lending

Arrears - 75 days past due, %

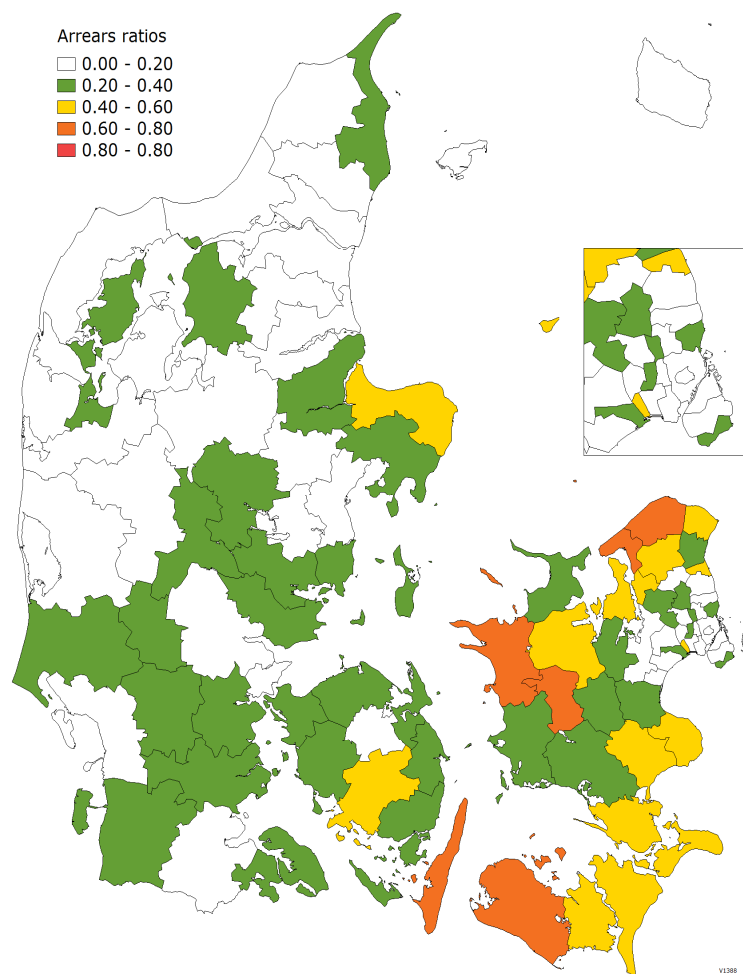


Arrears, 75 days past due, %

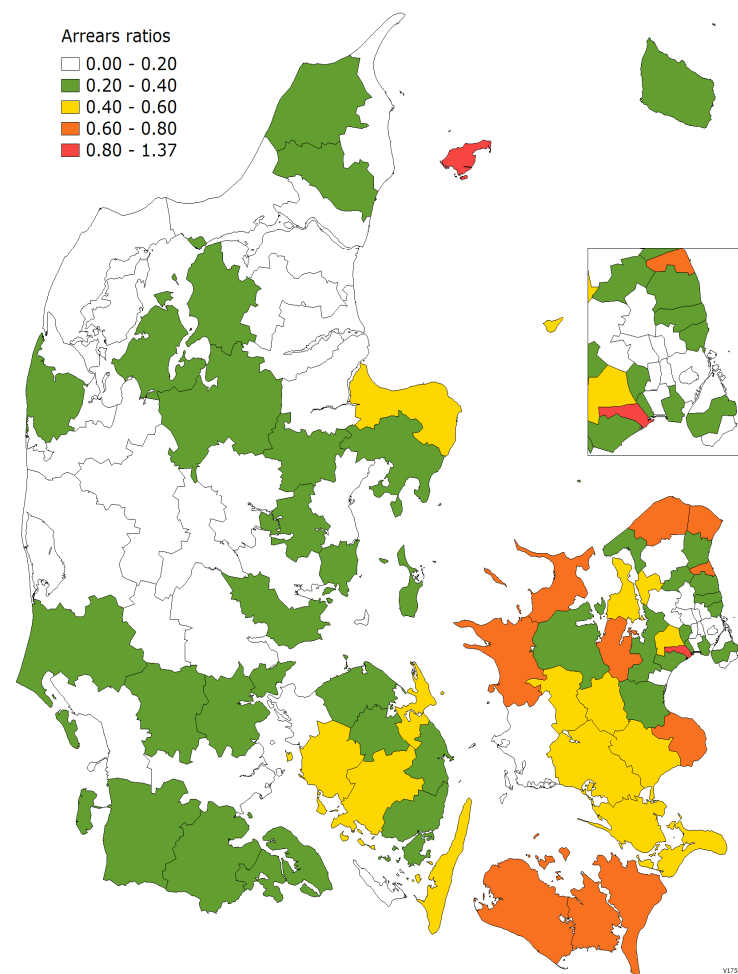


Geographical distribution of arrears/total mortgage lending – owner-occupied dwellings, mortgage lending

75 day-arrears, Q2/2016



75 day-arrears, Q2/2017

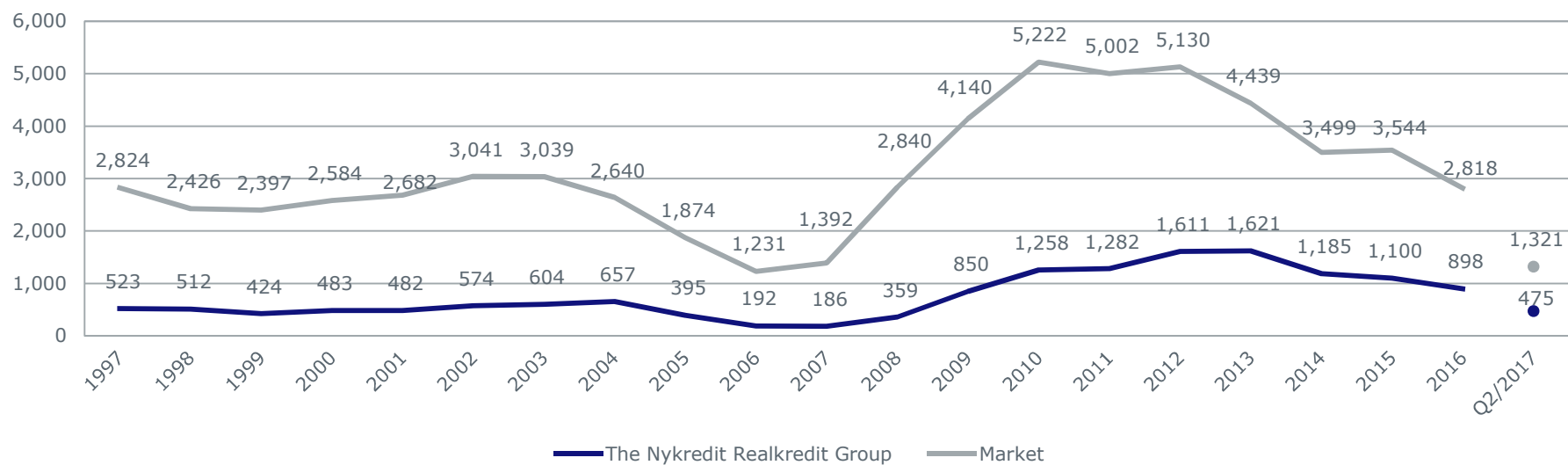


Reposessed properties and forced sales

Reposessions in Denmark, The Nykredit Realkredit Group



Forced sales in Denmark



Risk relating to mortgage lending

Debt outstanding relative to estimated property values, continuous distribution Q2/2017 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	430,202	163,477	93,100	13,576	3,083	-	703,439	32	69
Private rental	80,337	27,010	11,811	2,121	696	-	121,973	29	64
Industry and trades	15,786	2,972	519	292	702	-	20,271	23	54
Office and retail	87,665	21,509	2,971	799	517	-	113,461	24	52
Agriculture	67,923	18,090	6,362	1,350	362	-	94,089	26	58
Other	12,977	2,342	613	63	39	-	16,034	20	48
Total Q2/2017	694,891	235,400	115,377	18,202	5,399	71,280	1,140,548	29	63
Total Q2/2016	674,842	229,642	121,323	25,103	7,145	69,670	1,127,725	30	65

2.99% of total lending is outside statutory LTV limits

Debt outstanding relative to estimated property values, Q2/2017 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	66	22	10	2	1
Industry and trades	78	15	3	1	3
Office and retail	77	19	3	1	0
Agriculture	72	19	7	1	0
Other	81	15	4	0	0
Total Q2/2017	65	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	75%
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, Q2/2017 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	76,414	160,446	309,520	131,224	25,835	-	703,439	32	69
Private rental	33,180	44,079	31,087	9,530	4,097	-	121,973	29	64
Industry and trades	7,520	9,573	1,248	336	1,594	-	20,271	23	54
Office and retail	48,428	50,084	10,322	2,637	1,991	-	113,461	24	52
Agriculture	41,621	31,832	14,592	4,545	1,499	-	94,089	26	58
Other	9,186	5,033	1,459	222	134	-	16,034	20	48
Total Q2/2017	216,349	301,048	368,228	148,494	35,149	71,280	1,140,548	29	63
Total Q2/2016	212,198	280,191	330,550	185,861	49,255	69,670	1,127,725	30	65

18.52% of total lending is outside statutory LTV limits

Debt outstanding distributed by the top part relative to estimated property values, Q2/2017, The Nykredit Realkredit Group

%	0-40	40-60	60-80	80-100	Over 100
Owner-occupied dwellings	11	23	44	19	4
Private rental	27	36	25	8	3
Industry and trades	37	47	6	2	8
Office and retail	43	44	9	2	2
Agriculture	44	34	16	5	2
Other	57	31	9	1	1
Total Q2/2017	20	28	34	14	3

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%.

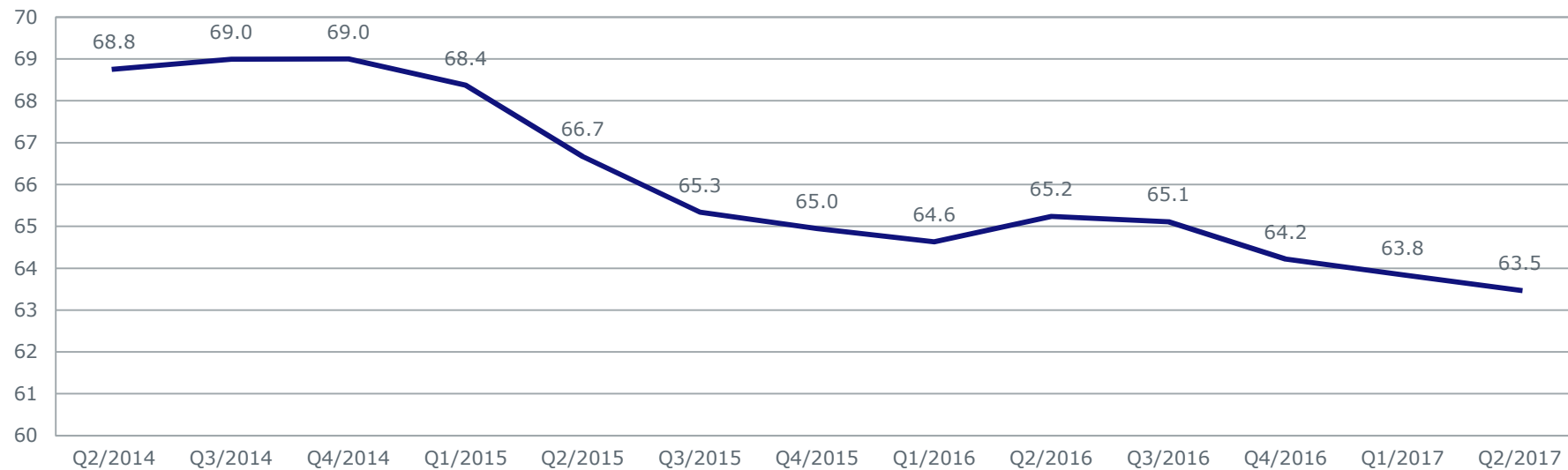
(**) The LTV limit may be extended up to 70% against supplementary collateral for the part in excess in 60%.

Statutory LTV limits by property category

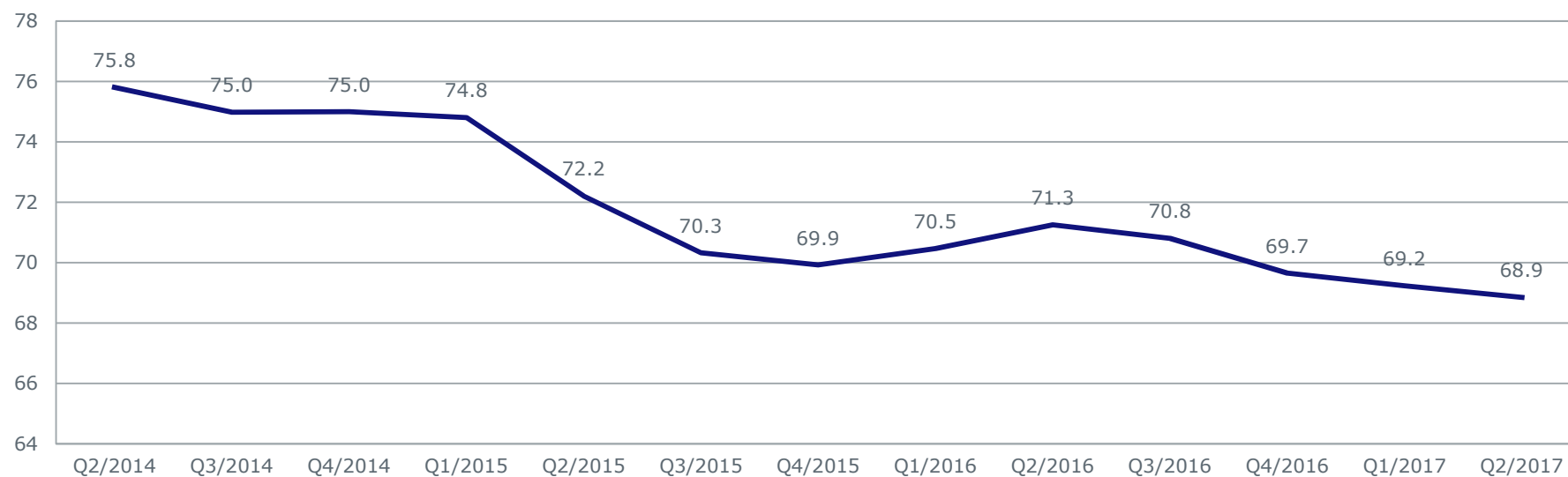
Private residential property for all-year habitation	80%*
Private cooperative housing	80%
Private residential rental properties	80%
Non-profit housing	80%
Youth housing	80%
Senior housing	80%
Properties used for social, cultural or educational purposes	60%
Holiday homes	75%
Agricultural and forestry 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, %

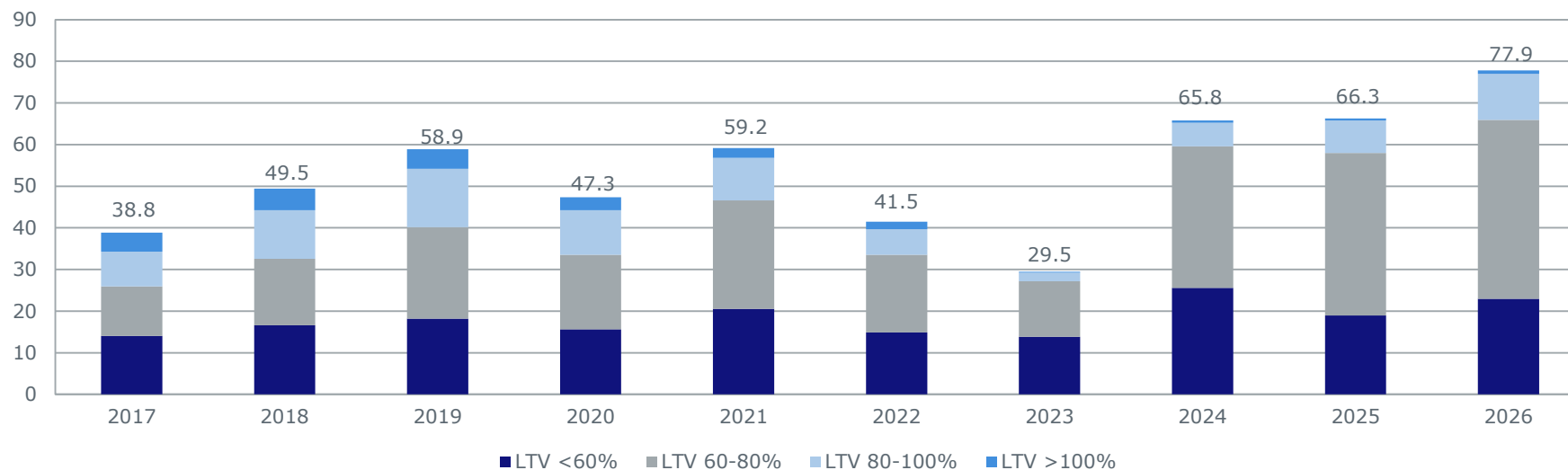


Average LTV - private residential properties, %

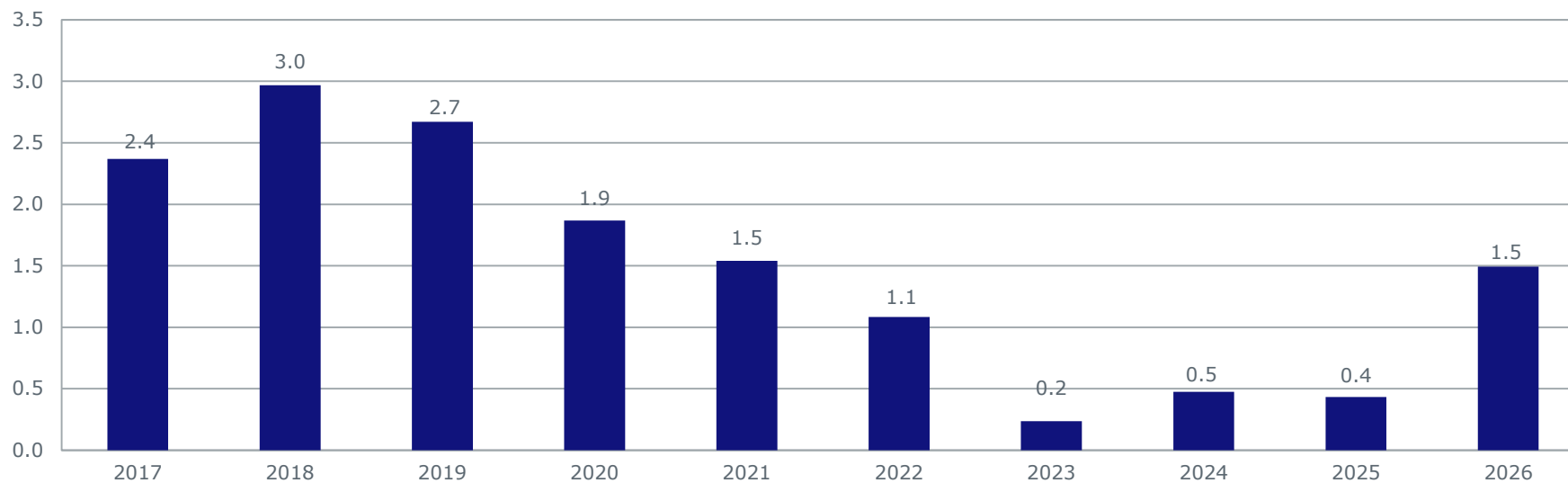


Expiry of interest-only period – mortgage lending

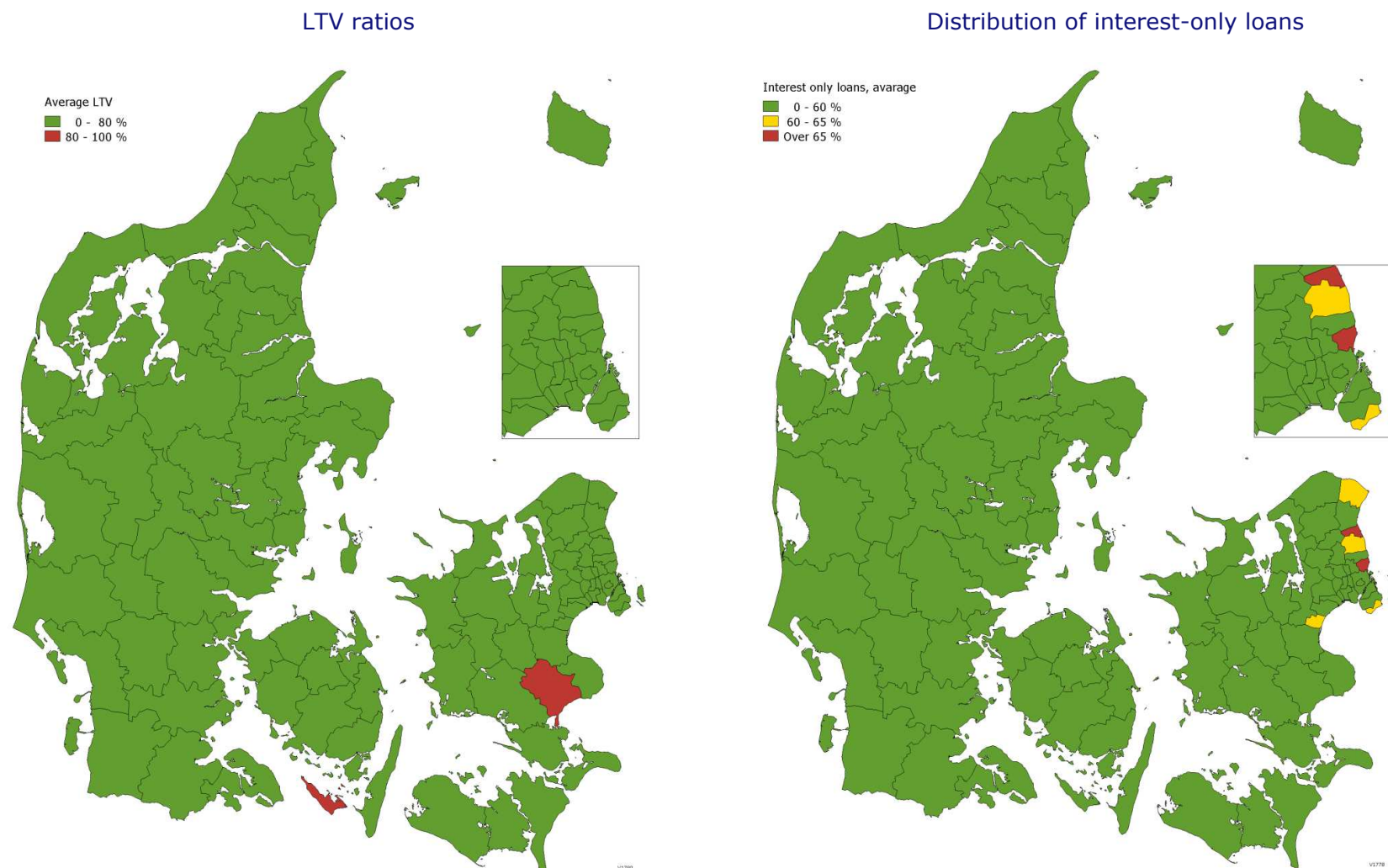
LTV distribution - size of loans by interest-only expiry, DKKbn



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



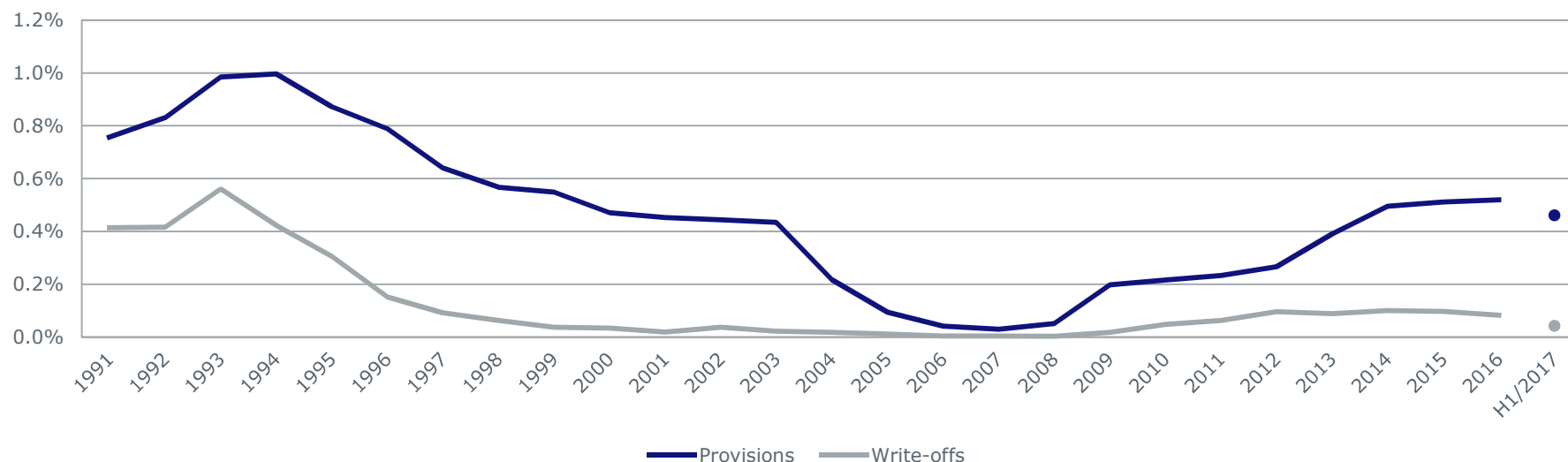
Interest-only loans prevalent where LTVs are low



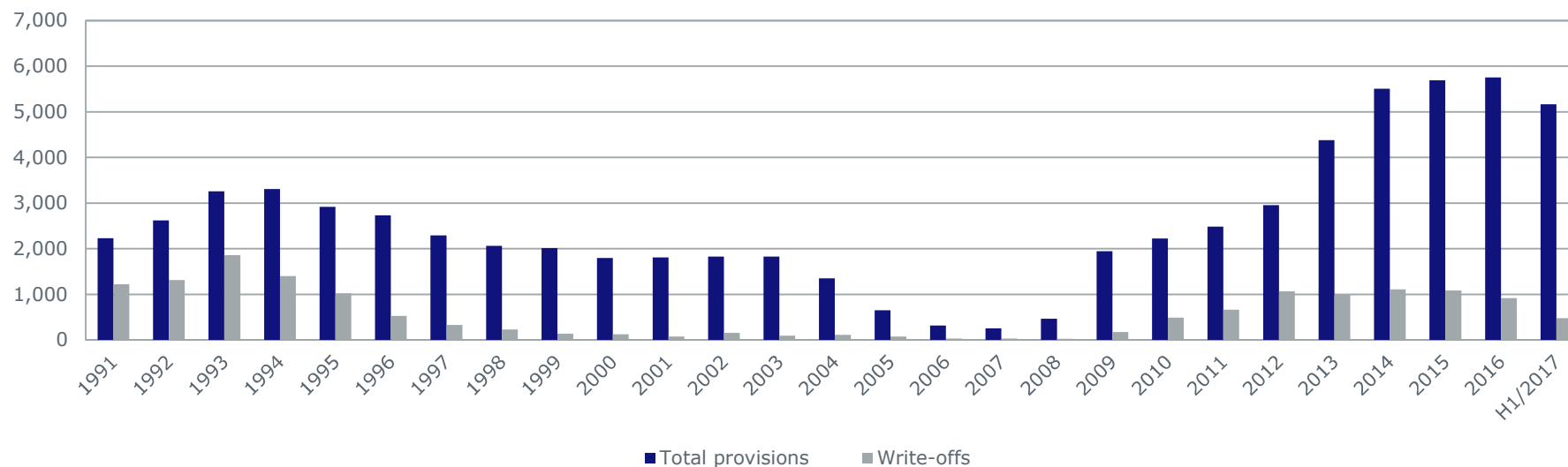
Note: Private residential lending in municipalities with above 80% LTVs and low marketability (above national average of 200 days on market) amounts to 5.3% of total private residential mortgage lending at end-Q1 2017

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 Q2/2017 has not been annualized

Impairment provisions and losses – mortgage lending

Total impairment provisions – by property type

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Owner-occupied dwellings	854	1,028	990	951	987
Private rental	544	453	533	439	358
Industry and trades	230	211	188	123	113
Office and retail	455	449	529	620	514
Agriculture	1,233	1,306	1,447	1,484	1,363
Non-profit housing	36	40	32	46	36
Cooperative housing	815	815	802	746	641
Other	101	104	99	96	90
Total Nykredit Realkredit	4,269	4,405	4,620	4,505	4,101
Totalkredit	1,226	1,200	1,130	1,072	1,067
Total impairment provisions from mortgage lending	5,494	5,605	5,751	5,577	5,167

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

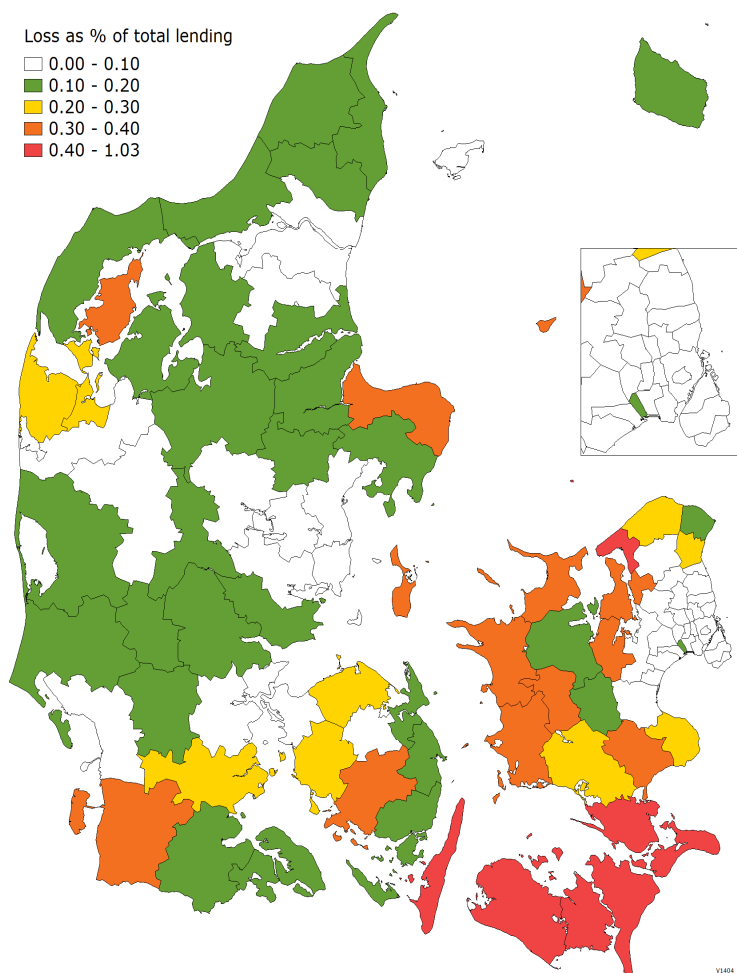
Impairment losses – by property type

DKK million	YTD Q2/2016	YTD Q3/2017	YTD Q4/2017	YTD Q1/2017	YTD Q2/2017
Owner-occupied dwellings	46	249	197	(24)	36
Private rental	(21)	(112)	(20)	(81)	(154)
Industry and trades	(3)	(30)	(24)	(26)	(37)
Office and retail	(7)	12	82	91	(4)
Agriculture	230	325	628	108	17
Non-profit housing	(6)	2	(8)	15	2
Cooperative housing	(71)	(71)	(79)	(58)	(162)
Other	(2)	2	(6)	4	0
Total Nykredit Realkredit	166	377	770	30	(303)
Totalkredit	166	241	287	61	169
Total impairment losses from mortgage lending	332	618	1,057	91	(134)
Set-offs, Totalkredit	(124)	(179)	(240)	(58)	(110)
Total impairment losses from mortgage lending after set-offs	207	439	816	32	(244)

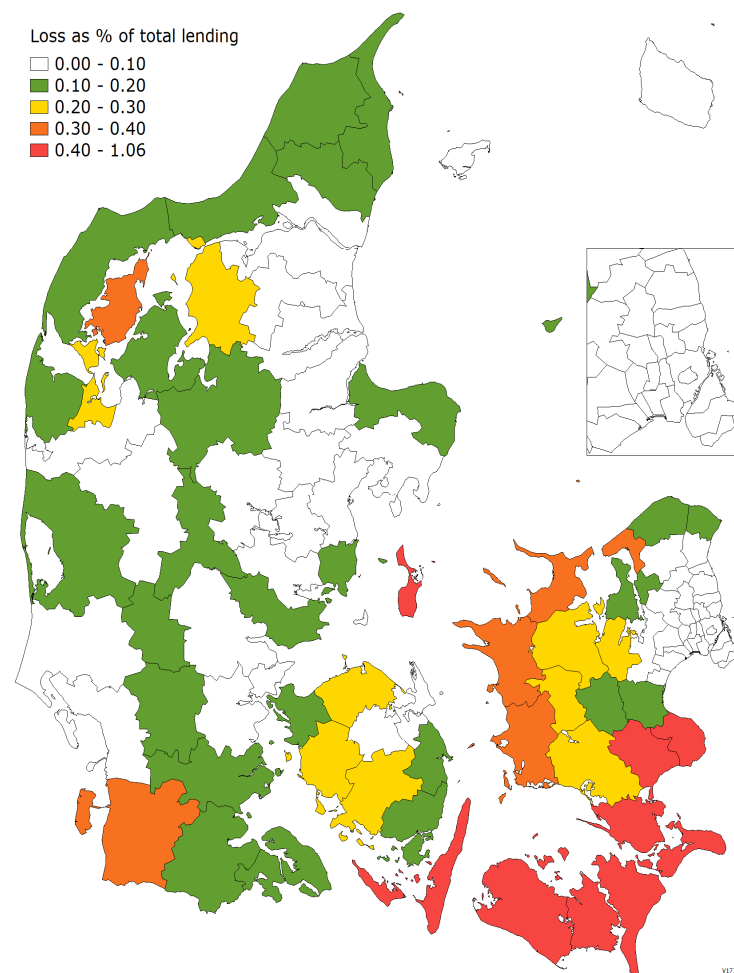
Note: Due to intercompany balancing, set-offs may differ from Nykredit Realkredit Q2 Interim Report 2017.

Geographical distribution of write-offs/total mortgage lending before set-offs – owner-occupied dwellings, mortgage lending

Loss as % of total mortgage lending last 4 quarters, Q2/2016



Loss as % of total mortgage lending last 4 quarters, Q2/2017



Write-offs – mortgage lending

Write-offs after set-offs – by property type

DKK million, year to date	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Owner-occupied dwellings	74	106	93	24	44
Private rental	41	44	73	15	24
Industry and trades	9	2	24	43	42
Office and retail	60	86	85	13	33
Agriculture	119	133	227	83	123
Non-profit housing	(2)	2	0	1	(2)
Cooperative housing	-	-	7	(1)	(1)
Other	9	10	7	7	8
Total Nykredit Realkredit	310	382	516	185	272
Totalkredit	271	380	495	128	235
Total write-offs from mortgage lending	581	763	1,011	313	507
Set-offs, Totalkredit	(124)	(179)	(240)	(58)	(110)
Total write-offs from mortgage lending after set-offs	457	584	771	254	397

Note: Write-offs for the year regardless whether the loan has been recognised through profit or loss for the same year. Q2 2017 has not been annualized.

Note: Due to intercompany balancing, set-offs may differ from Nykredit Realkredit Q2 Interim Report 2017.

Loans, advances and guarantees – bank lending

Loans and advances

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Public sector	383	379	446	428	583
Agriculture, hunting and forestry	1,957	2,016	2,091	2,230	2,352
Other corporate	66,312	64,361	70,352	64,875	63,832
Total commercial	68,269	66,377	72,443	67,105	66,184
Personal customers	11,253	11,230	12,205	12,172	12,287
Total	79,905	77,986	85,094	79,705	79,054

Guarantees

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Public sector	18	0	151	0	-
Agriculture, hunting and forestry	550	775	570	503	604
Other corporate	5,640	5,980	6,473	5,509	5,555
Total commercial	6,190	6,755	7,043	6,012	6,159
Personal customers	7,480	8,773	9,958	9,152	13,468
Total	13,688	15,528	17,152	15,164	19,627



Provisions – bank lending

Provisions for individual loan impairments and guarantees

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Public sector	-	-	-	-	-
Agriculture, hunting and forestry	83	84	85	86	85
Other corporate	1,877	1,833	1,786	1,698	1,472
Total commercial	1,960	1,917	1,871	1,784	1,557
Personal customers	556	588	588	593	577
Total	2,516	2,505	2,459	2,377	2,134

Collective impairment provisions

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Public sector	-	-	-	-	-
Agriculture, hunting and forestry	20	37	10	13	14
Other corporate	72	81	88	96	90
Total commercial	92	118	98	109	104
Personal customers	41	38	33	37	30
Total	133	156	131	146	134

Total impairment provisions

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Public sector	-	-	-	-	-
Agriculture, hunting and forestry	103	121	95	99	99
Other corporate	1,949	1,914	1,874	1,794	1,562
Total commercial	2,052	2,035	1,969	1,893	1,661
Personal customers	597	626	621	630	607
Total	2,649	2,661	2,590	2,523	2,268

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	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Total impairment provisions, rating 0 (DKK million)	535	32	547	605	41
Bond debt outstanding with OEI (DKK million)	13,642	12,774	13,213	12,818	12,054
Total bond debt outstanding (DKK million)	1,108,385	1,104,245	1,107,135	1,113,212	1,120,405
Bond debt outstanding with OEI/total bond debt	1.23%	1.16%	1.19%	1.15%	1.08%

Non-performing loans (rating -1)

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Total impairment provisions, NPL (DKK million)	3,321	3,115	3,689	3,561	2,944
Bond debt outstanding, NPL (DKK million)*	24,591	25,715	25,074	25,018	23,464
Total bond debt outstanding (DKK million)	1,108,385	1,104,245	1,107,135	1,113,212	1,120,405
Bond debt outstanding, NPL/total bond debt	2.22%	2.33%	2.26%	2.25%	2.09%

*Note: Includes exposures subject to individual impairment provisioning and exposures in arrears for more than 75 days for which individual impairment provisioning has not been deemed necessary



Non-performing loans (NPL) – bank lending

Non performing bank loans (rating NPL)

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Individual impairment provisions	2,451	2,455	2,406	2,328	2,075
Non-performing loans*	3,733	-	3,601	-	3,327
Individual impairment provisions as % of loans and advances subject to individual impairment provisioning	65.7%	-	66.8%	-	62.4%

*Includes exposures subject to individual impairment provisioning and exposures with third reminders for which individual impairment provisioning has not been deemed necessary.

Market Value derivatives

Market Value, derivatives, Nykredit Bank Q2/2017

DKK billion / %	Negative market value	Total impairment provisions*	Total impairment provision as % of market value
Housing cooperatives	5.8	2.5	43%
Agriculture	1.0	0.2	24%
Other	6.1	0.6	10%
Total	13.0	3.3	26%

* Individual value adjustments, management judgement and CVA

Business areas

Retail	Private and Commercial
Totalkredit Partners	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	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income					
Retail	1,494	1,544	1,649	1,753	1,768
Totalcredit Partners	589	797	812	763	733
Wholesale clients	579	533	537	667	616
Wealth Management	184	172	196	214	219
Group items	(19)	(86)	7	(54)	(62)
Income from core business	2,829	2,958	3,200	3,343	3,274

Lending and deposits – business areas

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Mortgage lending (nominal)					
Retail	429,538	425,224	421,601	420,657	417,059
-of which Nykredit Realkredit	351,473	343,903	337,888	335,535	331,824
-of which Totalcredit	78,065	81,321	83,713	85,122	85,235
Totalcredit Partners	499,543	500,320	503,767	507,253	515,552
Wholesale clients	175,778	174,278	176,405	179,418	180,986
Wealth Management	3,526	4,419	5,362	5,884	6,808
-of which Totalcredit	2,349	2,549	3,479	3,961	4,898
Total mortgage lending	1,108,385	1,104,240	1,107,135	1,113,212	1,120,405
Bank lending					
Retail	27,721	28,741	30,079	30,945	32,059
Wholesale clients	18,657	20,582	21,554	21,840	21,825
Wealth Management	2,289	2,341	2,603	2,982	3,113
Group items	888	1,452	767	490	547
Total bank lending	49,554	53,115	55,003	56,256	57,544
Deposits					
Retail	43,628	42,983	43,037	43,945	45,134
Wholesale clients	15,030	11,678	12,207	12,902	11,310
Wealth Management	8,564	7,646	9,522	9,751	11,373
Group items	2,327	2,591	649	1,135	1,625
Total deposits	69,548	64,898	65,415	67,733	69,442

Business areas – Retail

Result – Retail

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from					
Business operations	1,517	1,575	1,670	1,776	1,794
Senior debt	(23)	(30)	(22)	(23)	(26)
Income from core business	1,494	1,545	1,649	1,753	1,768
Total costs	821	829	870	776	757
Profit from core business before impairment losses	674	717	778	977	1,011
Impairment losses on mortgage lending	289	217	429	52	(227)
Impairment losses on bank lending	5	66	(26)	(2)	(23)
Profit from core business	379	434	375	927	1,261

Activity – Retail

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Mortgage lending					
Gross new lending, year-to-date	24,051	38,396	57,189	13,442	24,861
Portfolio at nominal value, end of period	429,538	425,224	421,601	420,657	417,059
Impairment losses for the period as % of lending	0.06%	0.11%	0.22%	0.01%	(0.04%)
Total impairment provisions, end of period					
Individual impairment provisions	2,548	2,736	2,784	2,696	2,618
Collective impairment provisions	1,383	1,344	1,562	1,556	1,271
Total impairment provisions as % of lending	0.92%	0.96%	1.03%	1.01%	0.93%
Banking					
Lending, end of period	27,721	28,741	30,079	30,945	32,059
Deposits, end of period	43,628	42,983	43,037	43,945	45,134
Impairment losses for the period as % of lending*	0.04%	0.24%	0.15%	(0.01%)	(0.10%)
Total impairment provisions, end of period					
Individual impairment provisions	1,596	1,632	1,628	1,576	1,528
Collective impairment provisions	84	103	87	101	64
Total impairment provisions as % of lending	5.71%	5.69%	5.38%	5.14%	4.73%
Guarantees, end of period	4,212	4,567	4,510	4,477	4,591
Provisions for guarantees, end of period	39	43	43	41	50

*Including impairment losses from guarantees

Business areas – Totalkredit Partners

Result – Totalkredit partners

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from					
Business operations	628	836	836	790	760
Senior debt	(38)	(39)	(25)	(27)	(27)
Income from core business	589	797	812	763	733
Total costs	145	134	160	150	143
Profit from core business before impairment losses	444	663	652	613	590
Impairment losses on mortgage lending	(16)	16	(14)	11	57
Profit from core business	460	647	666	602	532

Activity – Totalkredit partners

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Mortgage lending					
Gross new lending, year-to-date	39,444	79,791	107,713	22,724	47,859
Portfolio at nominal value, end of period	499,543	500,320	503,767	507,253	515,552
Impairment losses for the period as % of lending	0.00%	0.00%	0.00%	0.00%	0.01%
Total impairment provisions, end of period					
Individual impairment provisions	448	491	483	422	389
Collective impairment provisions	639	562	504	518	534
Total impairment provisions as % of lending	0.22%	0.21%	0.20%	0.19%	0.18%

Business areas – Wholesale clients

Result – Wholesale clients

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from					
Business operations	581	536	538	669	618
Senior debt	(2)	(2)	(2)	(2)	(2)
Income from core business	580	534	536	667	616
Total costs	164	156	160	135	162
Profit from core business before impairment los	415	378	376	532	454
Impairment losses on mortgage lending	(26)	(1)	(39)	(29)	(106)
Impairment losses on bank lending	(68)	(34)	(49)	(49)	(133)
Profit from core business	509	413	465	610	693

Activity – Wholesale clients

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Mortgage lending					
Gross new lending, year-to-date	13,098	17,287	28,047	9,605	15,947
Portfolio at nominal value, end of period	175,778	174,278	176,405	179,418	180,986
Impairment losses for the period as % of lending	(0.03%)	(0.03%)	(0.06%)	(0.02%)	(0.07%)
Total impairment provisions, end of period					
Individual impairment provisions	406	380	330	308	225
Collective impairment provisions	70	89	85	77	127
Total impairment provisions as % of lending	0.27%	0.27%	0.24%	0.21%	0.19%
Banking					
Lending, end of period	18,657	20,582	21,554	21,840	21,825
Deposits, end of period	15,030	11,678	12,207	12,902	11,310
Impairment losses for the period as % of lending*	(0.42%)	(0.46%)	(0.67%)	(0.21%)	(0.81%)
Total impairment provisions, end of period					
Individual impairment provisions	829	800	762	738	530
Collective impairment provisions	48	52	43	44	70
Total impairment provisions as % of lending	4.49%	3.97%	3.60%	3.46%	2.68%
Guarantees, end of period	1,471	1,465	1,445	1,764	1,670
Provisions for guarantees, end of period	25	7	9	8	8

*Including impairment losses from guarantees

Business areas – Wealth Management

Result – Wealth Management

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from					
Business operations	184	172	196	214	219
Senior debt	-	(0)	(0)	(0)	(0)
Income from core business	184	172	196	214	219
Total costs	97	98	117	109	100
Profit from core business before impairment losses	87	74	79	105	119
Impairment losses on mortgage lending	(0)	0	0	(1)	1
Impairment losses on bank lending	(2)	(4)	(5)	(3)	4
Profit from core business	89	78	84	109	114

Activity – Wealth Management

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Mortgage lending					
Gross new lending, year-to-date	389	800	1,017	429	857
Portfolio at nominal value, end of period	3,526	4,419	5,362	5,884	6,808
Impairment losses for the period as % of lending	(0.01%)	(0.03%)	0.00%	(0.02%)	(0.01%)
Total impairment provisions, end of period					
Individual impairment provisions	-	-	-	0	0
Collective impairment provisions	1	1	2	2	3
Total impairment provisions as % of lending	0.03%	0.03%	0.04%	0.03%	0.05%
Banking					
Lending, end of period	2,289	2,341	2,603	2,982	3,113
Deposits, end of period	8,564	7,646	9,522	9,751	11,373
Impairment losses for the period as % of lending	1.06%	0.86%	0.53%	(0.10%)	0.02%
Total impairment provisions, end of period					
Collective impairment provisions & Individual impairment provisions	28	24	17	14	17
Total impairment provisions as % of lending	1.21%	1.01%	0.65%	0.47%	0.54%
Guarantees, end of period	391	472	549	799	751
Provisions for guarantees, end of period	0	0	0	0	-
Assets under management	131,853	134,581	136,514	145,848	152,404
Assets under administration					
Nykredit Portefølje Administration A/S	726,162	748,695	786,549	798,633	798,734
of which the investment funds of the Nykredit Group	67,874	72,816	74,648	78,890	83,672

Business areas – Group items

Result – Group items

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Core income from					
Business operations	22	(7)	44	1	(20)
Senior and subordinated debt	(51)	(92)	(50)	(77)	(63)
Securities	11	12	13	22	21
Income from core business	(19)	(86)	7	(54)	(62)
Total costs	8	32	270	8	24
Profit from core business before impairment	(27)	(118)	(263)	(62)	(87)
Impairment losses on mortgage lending	-	-	-	-	-
Impairment losses on bank lending	(6)	-	-	-	-
Profit from core business	(21)	(118)	(263)	(63)	(87)

Activity – Group items

DKK million	Q2/2016	Q3/2016	Q4/2016	Q1/2017	Q2/2017
Banking					
Lending, end of period	888	1,451	767	490	547
Deposits, end of period	2,327	2,590	649	1,135	1,625
Total impairment provisions, end of period					
Individual impairment provisions	-	-	-	-	-
Collective impairment provisions	-	-	-	-	-
Total impairment provisions as % of lending	-	-	-	-	-
Guarantees, end of period	171	216	190	145	213

The Danish economy

Nykredit's regional housing price forecasts

%	2015	2016	2017F	2018F	2019F
Houses – Denmark	6.5	3.5	3.3	2.8	2.6
Copenhagen	10.1	5.3	4.8	4.0	3.6
North Sealand	7.6	4.0	4.1	3.0	2.8
East Sealand	8.1	5.7	5.0	3.5	3.0
West and South Sealand	7.7	2.2	4.3	3.0	2.6
Bornholm	2.9	9.8	3.8	3.0	2.6
Funen	4.8	2.9	3.6	2.7	2.4
South Jutland	4.2	1.3	2.4	2.1	2.4
East Jutland	7.0	1.7	1.9	2.6	2.4
West Jutland	1.1	1.1	1.0	2.3	2.0
North Jutland	4.2	3.5	3.6	2.3	2.0
Owner-occupied flats – Denmark	10.6	8.2	6.6	4.3	3.0
Copenhagen	12.9	9.5	8.5	4.9	3.3
Municipality of Aarhus	10.4	5.8	4.8	4.5	3.3
Holiday homes - Denmark	1.6	0.4	2.5	1.5	1.5

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%	1.7%
Inflation	2.4%	0.8%	0.6%	0.5%	0.3%
Public deficit as % of nominal GDP	(3.5%)	(1.2%)	1.1%	(1.8%)	(0.6%)
Balance of payment as % of nominal GDP*	6.3%	7.8%	8.9%	9.2%	7.9%
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	1,153,247

Note: Actual 2017 year 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, May 2017 (Økonomisk Redegørelse, maj 2017), pp 51-83 (in Danish), of the Danish Ministry of Economics and Interior (http://www.oim.dk/media/18615/oekonomisk_redegoerelse_maj_2017_pdfa.pdf)

* 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.

Appendix Q2/2017

The Nykredit Realkredit Group

Figures in the appendix on disclosures are calculated in accordance with the capital requirements regulation, and credit exposure includes non-mortgage loans, unutilised credits, exposures to financial counterparties etc.

Capital requirements

Nykredit Realkredit Group REA and capital requirements

DKK million	Risk Exposure Amount		Capital requirements	
	Q1/2017	Q2/2017	Q1/2017	Q2/2017
Credit risk				
Standardised approach:				
Central governments or central banks	0	76	0	6
Institutions	5,600	5,723	448	458
Corporates	5,292	5,002	423	400
Retail	308	432	25	35
Secured by mortgages on immovable property	254	250	20	20
Exposures in default	32	27	3	2
Covered bonds	1,608	1,542	129	123
Equity	86	88	7	7
Standardised approach total	13,181	13,139	1,054	1,051
IRB approach:				
Corporates - SME	98,927	96,835	7,914	7,747
Corporates - Other	56,949	56,609	4,556	4,529
Retail - Secured by real estate SME	14,635	14,507	1,171	1,161
Retail - Secured by real estate non-SME	88,369	90,849	7,069	7,268
Retail - Other non-SME	4,553	4,631	364	370
Other non credit-obligation assets	2,687	3,363	215	269
IRB approach total	266,119	266,793	21,290	21,343
Contributions to the default fund of a CCP	100	100	8	8
Credit Value Adjustment	744	650	60	52
Equity IRB	13,713	14,322	1,097	1,146
Total credit risk	293,859	295,004	23,509	23,600
Market risk				
Internal models	12,597	11,998	1,008	960
Standardised approach	9,594	9,894	768	792
Total market risk	22,191	21,891	1,775	1,751
Operational risk	21,246	21,246	1,700	1,700
Total REA	337,297	338,141		
Total minimum capital requirement			26,984	27,051

Leverage ratio

Nykredit Realkredit Group

DKKm

	Q1/2017	Q2/2017
Tier 1 capital	69,508	74,715
Leverage ratio exposures	1,480,949	1,472,253
Leverage ratio	4.6%	5.0%

Own funds

Q2/2017

DKK million

	Nykredit Realkredit Group	Nykredit Group
Equity for capital adequacy purposes	71,001	70,716
Deduction for average dividend	0	0
Prudent valuation adjustment	-98	-98
Intangible assets adjusted for deferred tax	-172	-172
Provisions for expected losses in accordance with IRB approach	-449	-449
Minority interests	789	789
Deduction for treasury shares (PRAS)	0	0
Other deductions	-234	-234
Transitional adjustment of deductions	137	137
Common Equity Tier 1 (CET1) capital deductions	-29	-29
CET1 capital	70,972	70,687
Additional Tier 1 (AT1) capital	3,875	1,858
AT1 capital deductions	-69	-69
Transitional adjustment of deductions	-63	341
Set-off of excess deductions	0	0
Total AT1 capital after deductions	3,743	2,130
Tier 1 capital (Total Tier 1 capital: CET1 + AT1)	74,715	72,817
Tier 2 capital (incl. instruments issued by subsidiaries)	11,516	7,147
Tier 2 capital additions/deductions	219	219
Transitional adjustment of deductions	-192	682
Set-off of excess deductions	0	0
Total Tier 2 capital	11,543	8,048
Own funds (Total capital: Tier1 + Tier2)	86,258	80,865
Credit risk (incl CVA)	295,004	293,973
Market risk incl settlement risk	21,892	21,892
Operational risk	21,246	21,246
Total REA	338,141	337,110
Financial ratios		
CET1 capital ratio	20.9%	20.9%
Tier 1 capital ratio	22.0%	21.6%
Total capital ratio	25.5%	23.9%
Minimum capital ratio (capital ratio subject to transitional rules)	14.3%	14.3%
Capital requirement	8.0%	8.0%
Internal capital adequacy requirement	10.1%	10.1%

Credit exposure

Nykredit Realkredit Group

DKKm

	Q2 2017	Average*	Q4 2016
IRB approach:			
Central governments or central banks	-	-	-
Institutions	-	-	-
Corporates	420,755	461,547	438,962
- Of which: specialised lending	-	-	-
- Of which: SME	289,662	325,016	292,600
Retail	803,465	769,480	793,607
Secured by real estate property	791,264	753,052	774,011
- SME	76,689	52,708	74,135
- Non-SME	714,576	700,344	699,876
Qualifying Revolving	-	-	-
Other Retail	12,201	16,428	19,596
- SME	-	-	-
- Non-SME	12,201	16,428	19,596
IRB approach, total	1,224,220	1,231,028	1,232,569
Standardised approach:	0	0	0
Central governments or central banks	59,832	56,491	59,178
Regional governments or local authorities	-	-	-
Public sector entities	-	-	-
Multilateral development banks	-	-	-
International organisations	-	-	-
Institutions	22,463	18,657	17,358
Corporate	5,830	8,951	9,109
- Of which: SME	2,986	2,888	3,058
Retail	575	276	320
- Of which: SME	-	-	-
Secured by mortgages on immovable property	714	761	724
- Of which: SME	-	-	-
Exposures in default	27	51	47
Items associated with particularly high risk	-	-	-
Covered bonds	15,424	25,147	28,140
Claims on institutions and corporates with a short-term credit assesment	-	-	-
Collective investments undertakings (CIU)	-	-	-
Equity	88	123	111
Other items	-	-	-
Standardised approach, total	104,954	110,458	114,986
Total credit exposure (EAD)	1,329,173	1,341,485	1,347,555

*Average over past 4 quarters

Credit exposure by rating

Nykredit Realkredit Group

AIRB credit exposure (EAD) by rating category

Q2/2017

DKKm	Retail - Secured by real estate non-SME	Retail - Secured by real estate SME	Retail - Other	Corporates - SME	Corporates - Other	Total
10	59,693	9,046	2,327	15,299	15,427	101,792
9	94,123	6,476	1,170	23,206	29,286	154,260
8	175,747	9,113	1,406	49,842	23,923	260,030
7	145,304	10,500	1,184	64,481	26,833	248,301
6	92,942	12,308	1,365	57,049	23,507	187,171
5	42,054	7,631	1,442	25,515	2,529	79,170
4	32,408	9,279	1,423	13,583	4,128	60,822
3	20,446	7,059	758	11,162	1,995	41,421
2	22,486	1,106	231	6,741	309	30,873
1	17,208	897	185	2,341	149	20,780
0	3,735	1,008	66	7,023	200	12,031
Defaulted	8,431	2,266	645	13,421	2,806	27,568
Total	714,576	76,689	12,201	289,662	131,093	1,224,220

Risk weights by rating

Nykredit Realkredit Group

AIRB exposure-weighted (EAD) average risk weight by rating category

Q2/2017

Pct.	Retail - Secured by real estate non-SME	Retail - Secured by real estate SME	Retail - Other	Corporates - SME	Corporates - Other	Total
10	1	1	9	12	22	6
9	3	4	18	21	30	11
8	5	7	25	23	39	12
7	10	10	32	27	45	18
6	14	13	40	28	41	22
5	18	17	47	32	61	25
4	24	21	54	44	81	32
3	31	28	59	46	88	38
2	37	45	70	34	117	37
1	64	80	87	66	96	65
0	78	76	103	58	83	66
Defaulted	85	160	102	136	216	130
Total	13	19	38	33	43	22

Loss given default (LGD) by rating

Nykredit Realkredit Group

AIRB exposure weighted (EAD) average LGD by rating category

Q2/2017

Pct.	Retail - Secured by real estate non-SME	Retail - Secured by real estate SME	Retail - Other	Corporates - SME	Corporates - Other	Total
10	5	7	46	15	22	11
9	6	12	42	17	20	11
8	9	14	42	16	22	12
7	12	15	42	16	21	14
6	13	15	42	15	17	15
5	13	15	42	15	22	15
4	13	14	42	19	26	16
3	16	15	42	18	26	18
2	11	17	45	12	30	12
1	12	18	43	16	18	13
0	14	21	42	15	22	15
Defaulted	17	26	43	25	24	23
Total	10	14	43	16	21	13

Conversion factor (CF) by rating

Nykredit Realkredit Group

AIRB exposure weighted (EAD) average CF by rating category

Q2/2017

Pct.	Retail - Secured by real estate non-SME	Retail - Secured by real estate SME	Retail - Other	Corporates - SME	Corporates - Other	Total
10	60	42	49	52	50	57
9	64	49	54	48	49	57
8	68	43	56	44	47	56
7	72	48	55	48	49	57
6	88	43	58	41	52	52
5	72	52	56	51	50	60
4	73	38	55	46	64	59
3	99	34	59	50	50	82
2	64	42	49	41	51	57
1	93	30	60	26	122	59
0	66	33	49	40	481	79
Defaulted	85	81	64	32	23	41
Total	72	44	55	45	50	57

Unutilised commitments by rating

Nykredit Realkredit Group

Unutilised commitments by rating category*

Q2/2017

DKKm	Retail - Secured by real estate non-SME	Retail - Secured by real estate SME	Retail - Other	Corporates - SME	Corporates - Other	Total
10	1,839	275	3,927	1,685	5,698	13,424
9	1,178	256	1,484	2,123	2,288	7,329
8	1,815	493	1,723	3,660	2,710	10,401
7	1,722	550	1,335	4,578	2,770	10,956
6	715	514	1,442	3,781	2,769	9,220
5	596	329	1,596	853	721	4,094
4	451	184	1,621	770	663	3,689
3	2,982	152	562	664	362	4,722
2	83	23	150	93	116	466
1	41	14	95	46	1	197
0	6	20	36	55	11	129
Defaulted	27	35	162	407	177	808
Total	11,455	2,845	14,132	18,717	18,284	65,434

*Off-balance sheet, pre conversion factor

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
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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 Municipality of registered office: Copenhagen