

10 November 2016

INTERIM REPORT – NYKREDIT HOLDING GROUP 1 JANUARY – 30 SEPTEMBER 2016

Contact

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FINANCIAL HIGHLIGHTS

Nykredit Holding Group	Q1-Q3/ 2016	Q1-Q3/ 2015	Q3/ 2016	Q3/ 2015	FY 2015
DKK million					
RESULTS FROM CORE BUSINESS AND RESULTS FOR THE PERIOD					
Core income from					
- business operations	8,962	9,122	3,137	2,886	11,945
- senior and subordinated debt	(396)	(483)	(164)	(119)	(610)
- securities	33	29	12	8	38
Income from core business	8,599	8,668	2,985	2,775	11,373
Operating costs, depreciation and amortisation	3,603	3,608	1,223	1,186	5,010
Mandatory mortgage bank contribution to Danish Resolution Fund ¹	104	46	35	46	61
Profit from core business before impairment losses	4,892	5,014	1,727	1,543	6,302
Impairment losses on mortgage lending	443	780	232	242	1,041
Impairment losses on bank lending	(58)	(87)	28	2	(121)
Profit from core business	4,507	4,321	1,467	1,299	5,382
Value adjustment of interest rate swaps due to interest rate changes	(1,334)	521	54	(343)	685
Other value adjustment of interest rate swaps	61	(309)	(15)	101	(275)
Amortisation of goodwill and customer relationships	-	1,907	-	1,907	1,965
Investment portfolio income	1,142	762	787	(61)	873
Profit (loss) before tax	4,376	3,388	2,293	(911)	4,700
Tax	898	1,146	449	233	1,506
Profit (loss) for the period	3,478	2,242	1,844	(1,144)	3,194
Minority interests	2	-	1	-	-
Profit (loss) for the period excluding minority interests	3,476	2,242	1,843	(1,144)	3,194
Interest on Additional Tier 1 capital charged against equity	174	138	58	58	197
SUMMARY BALANCE SHEET					
	30.09.2016	30.09.2015	30.09.2016	30.09.2015	31.12.2015
Assets					
Receivables from credit institutions and central banks	41,685	36,732	41,685	36,732	23,253
Mortgage loans at fair value	1,127,516	1,118,029	1,127,516	1,118,029	1,119,101
Bank loans excluding reverse repurchase lending	53,115	47,506	53,115	47,506	46,747
Bonds and equities	108,574	102,787	108,574	102,787	110,294
Remaining assets	74,920	83,379	74,920	83,379	84,401
Total assets	1,405,810	1,388,433	1,405,810	1,388,433	1,383,796
Liabilities and equity					
Payables to credit institutions and central banks	19,362	35,117	19,362	35,117	30,226
Deposits	64,895	61,566	64,895	61,566	62,584
Bonds in issue at fair value	1,151,669	1,134,618	1,151,669	1,134,618	1,137,314
Subordinated debt	11,276	4,684	11,276	4,684	11,006
Remaining liabilities	89,732	87,849	89,732	87,849	77,184
Equity	68,876	64,599	68,876	64,599	65,482
Total liabilities and equity	1,405,810	1,388,433	1,405,810	1,388,433	1,383,796
FINANCIAL RATIOS					
Profit (loss) (after tax) for the period as % pa of average equity ²	7.0	4.7	11.2	(7.8)	5.0
Profit from core business before impairment losses as % pa of average equity ²	9.9	10.9	10.4	9.7	10.1
Profit from core business as % pa of average equity ²	9.1	9.3	8.8	8.1	8.6
Costs as % of core income from business operations	40.2	39.6	39.0	41.1	41.9
Total provisions for loan impairment – mortgage lending	5,605	5,684	5,605	5,684	5,694
Total provisions for loan impairment and guarantees – bank lending	2,661	3,227	2,661	3,227	2,952
Impairment losses for the period, % – mortgage lending	0.04	0.07	0.02	0.02	0.09
Impairment losses for the period, % – bank lending	(0.07)	(0.09)	0.03	0.00	(0.12)
Total capital ratio, %	19.6	19.9	19.6	19.9	20.7
Common Equity Tier 1 capital ratio, %	17.9	19.2	17.9	19.2	19.4
Average number of staff, full-time equivalents	3,609	3,763	3,531	3,719	3,757

¹ The item includes Nykredit Realkredit's and Totalkredit's mandatory contributions to the Danish Resolution Fund. No contributions were made to similar schemes prior to Q3/2015.

² For the purpose of return on equity, the Additional Tier 1 (AT1) capital raised in 2015 is treated as a financial obligation for accounting purposes, and the dividends for the period thereon for accounting purposes are included as interest expenses on subordinated debt in profit (loss) for the period.

The income statement format has been adjusted relative to 2015, now including profit from core business, as this does not include value adjustment of interest rate swaps or goodwill impairment.

Q1-Q3/2016 – IN BRIEF

MAIN ACTIVITY

Nykredit Holding A/S is the Parent Company of Nykredit Realkredit A/S. The Company's main activity is the ownership of Nykredit Realkredit A/S.

RESULTS FOR Q1-Q3/2016

The Group's profit before tax for Q1-Q3/2016 increased to DKK 4,376m from DKK 3,388m in Q1-Q3/2015.

Profit from core business rose to DKK 4,507m, up DKK 186m, or 4%, on Q1-Q3/2015.

Core income from business operations came to DKK 8,962m, down DKK 160m on the same period last year. The downturn should be seen in the context of a very high mortgage refinancing level and high activity in Markets in 2015 due in part to substantial interest rate volatility. By contrast, income was positively affected by an increase in Totalkredit's administration margin income due to the administration margin increase that took effect on 1 July 2016.

Operating costs, depreciation and amortisation excluding the mandatory mortgage bank contribution to the Danish Resolution Fund reduced by DKK 5m.

The contribution to the Danish Resolution Fund was DKK 104m.

Impairment losses on loans and advances dropped from DKK 693m in Q1-Q3/2015 to DKK 385m in Q1-Q3/2016. The positive trend derived from mortgage lending.

Value adjustment of interest rate swaps produced a loss of DKK 1,273m in Q1-Q3/2016 against a gain of DKK 212m in Q1-Q3/2015. Of the negative value adjustment in Q1-Q3/2016, DKK 1,334m was attributable to the swap rates, which declined in the period.

Investment portfolio income grew by DKK 380m to DKK 1,142m.

The Group reported a post-tax profit of DKK 3,478m compared with DKK 2,242m for Q1-Q3/2015.

Nykredit Holding Group results	Q1-Q3/ 2016	Q1-Q3/ 2015
DKK million		
Income from core business	8,599	8,668
Operating costs, depreciation and amortisation	3,603	3,608
Mandatory mortgage bank contribution to Danish Resolution Fund	104	46
Impairment losses on loans and advances	385	693
Profit from core business	4,507	4,321
Value adjustment of interest rate swaps	(1,273)	212
Goodwill impairment	-	1,907
Investment portfolio income	1,142	762
Profit before tax	4,376	3,388

For further information on the results, activities and financial circumstances of the Group, reference is made to the Q1-Q3 Interim Report 2016 of Nykredit Realkredit A/S.

As Parent Company, Nykredit Holding A/S recorded a loss of DKK 23m after tax, excluding the results of the subsidiary Nykredit Realkredit A/S. The Parent Company's results included costs of DKK 24m compared with DKK 3m last year, mainly related to the Company's IPO preparations.

EQUITY

Group equity was DKK 68,876m at end-Q3/2016 against DKK 65,482m at end-2015, including minority interests of DKK 5m and Additional Tier 1 (AT1) capital of DKK 3,826m.

Equity in the Parent Company Nykredit Holding A/S was DKK 65,045m at end-Q3/2016 against DKK 61,708m at end-2015.

CAPITAL AND CAPITAL ADEQUACY

At end-Q3/2016, own funds of the Nykredit Holding Group amounted to DKK 69.7bn, corresponding to a total capital ratio of 19.6%.

Common Equity Tier 1 (CET1) capital, which is the most important capital concept in relation to the capital adequacy rules, came to DKK 63.7bn against DKK 60.3bn at end-2015. The CET1 capital ratio was 17.9% against 19.4% at end-2015.

MATERIAL RISKS

The credit, market, liquidity and operational risks of Nykredit Holding depend on the Nykredit Realkredit Group. Reference is consequently made to note 46 of the Annual Report 2015 of that Group as well as to note 44 of the Annual Report 2015 of Nykredit Holding.

OUTLOOK FOR 2016

In the H1 Interim Report 2016, Management forecast Group profit from core business for 2016 in the range of DKK 5.0bn-5.5bn.

Based on the performance in Q1-Q3/2016 and expectations for Q4/2016, including expected restructuring provisions in connection with the announced cost reductions, cf below, the full-year profit guidance is maintained.

In connection with the full-year guidance, it should be noted that especially the Danish central bank's short-term interest rates, mortgage market activity and the level of loan impairment losses may affect results from core business. Loan impairment losses were low in Q1-Q3/2016.

OTHER

Nykredit Group plans stock exchange listing

Nykredit's Board of Directors and Committee of Representatives have decided to prepare for a stock exchange listing of Nykredit Holding A/S.

One reason for listing Nykredit on the stock exchange is for Nykredit as a SIFI to gain access to the capital markets, including to be able to raise additional share capital in coming years, as capital requirements must be expected to increase significantly due to new international regulation. Add to this the already significant variations in capital requirements under the current legislation due in part to property price and economic trends, but also to the fact that the authorities may amend the capital requirements in some areas.

Price adjustments at Totalkredit

As of 1 July 2016, the administration margins for all existing and new Totalkredit loans were raised. This administration margin rise was the result of the capital requirements already adopted and also aims to ensure a more limited use of interest-only loans and loans with frequent refinancing.

Customers with long-term fixed-rate repayment loans will thus experience the smallest increase.

Reference is made to Nykredit's press release dated 4 February 2016.

Totalkredit partnership now also includes business mortgages

Having offered mortgage loans to homeowners for more than 25 years, the Totalkredit partnership has now entered the business mortgage market.

From April 2016, all partner banks can offer Totalkredit business mortgages. Totalkredit business mortgages are offered to the segments office and retail, private rental as well as industry and trades.

KundeKroner

KundeKroner is Nykredit's customer benefits programme. The programme will initially be introduced to customers of Totalkredit.

Under the programme, customers will receive cash discounts that will be deducted from the administration margins and fees paid by the customers to Nykredit. The Danish National Tax Board has affirmed that this will entail a reduction in their tax deduction on those administration margins and fees equal to the amount of the discount.

In the initial phase, the customers will get a cash discount of around DKK 1,000 for each million kroner borrowed set off against their administration margin payments. The amount will be deducted over four quarters, beginning with the administration margin payment for Q3/2017. The final model for KundeKroner, which will apply after the initial phase, will be announced at a later date.

New centre organisation strengthens customer focus

In mid-2016 Retail changed its organisation, focusing on customer proximity and creating a specialist environment, to attract more full-service customers. To accommodate the different needs of our customers, Nykredit has set up a team of advisers for SME owners, and Nykredit's advisory propositions for agricultural and other business customers are now concentrated at fewer locations with specialist skills across the country.

Supreme Court ruling in case involving A/B Duegård in liquidation

On 11 May 2016, the Danish Supreme Court found for A/B Duegård in liquidation, ruling that the cooperative in the specific circumstances may be adjudicated bankrupt. The decision has not affected Nykredit's provisions relating to interest rate swaps or other exposures in the housing cooperative area.

Issuance of bail-inable senior notes

Nykredit has launched its first bail-inable senior bonds (senior resolution notes), and at end-Q3/2016 notes in issue amounted to DKK 7.4bn. Issuance of the remaining requirement of DKK 5bn-10bn is scheduled for 2016-2017. Going forward, the new funding will replace most of the issuance of senior secured and senior unsecured debt.

Credit ratings

S&P Global Ratings announced in July 2016 that it had revised its outlook on Nykredit Realkredit and Nykredit Bank's unsecured ratings from negative to stable. The rating outlook of senior secured debt was also changed from negative to stable.

According to S&P Global Ratings, the outlook was changed thanks to Nykredit's progress in the build-up of ALAC (Additional Loss-Absorbing Capacity). ALAC is a buffer of bail-inable debt serving to protect unsecured creditors in case of the company's bankruptcy. As mentioned above, Nykredit Realkredit was the first financial business to issue so-called senior resolution notes, which count towards ALAC, in June and July 2016. Both issues amounted to EUR 500m.

Change in Nykredit Holding's Board of Directors

At Nykredit Holding's annual general meeting held on 16 March 2016, Helge Leiro Baastad and Per W. Hallgren were elected new members of the Board of Directors, replacing Steen E. Christensen and Jens Erik Udsen. Olav Bredgaard Brusen and Inge Sand joined the Board of Directors as staff-elected members, replacing Gert Kryger and Ina Nielsen.

The Board of Directors subsequently elected Steffen Kragh as Chairman and Merete Eldrup and Nina Smith as Deputy Chairmen.

Change in Nykredit's Group Executive Board

Effective from 1 September, Nykredit Realkredit reorganised its Group Executive Board. In connection with the reorganisation, David Hellemann joined the Group Executive Board as Group Managing Director, responsible for the CFO/COO are-

as, which now also include the Totalkredit partnership. At the same time, David Hellemann also joined the Boards of Directors of Nykredit Bank A/S and Totalkredit A/S.

Bente Overgaard resigned from the Executive Board of Nykredit Holding, the Group Executive Board of Nykredit and the Boards of Directors of Nykredit Bank and Totalkredit as at 30 June 2016.

UNCERTAINTY AS TO RECOGNITION AND MEASUREMENT

Measurement of certain assets and liabilities is based on accounting estimates made by Group Management.

The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment, unlisted financial instruments and other provisions, of the Annual Report 2015.

Uncertainty as to recognition and measurement is described in detail in the accounting policies (note 1) of the Annual Report 2015, to which reference is made.

EVENTS SINCE THE BALANCE SHEET DATE

Capital contribution

To support the capitalisation of Nykredit Bank A/S and Totalkredit A/S, the Board of Directors of Nykredit Realkredit A/S decided on 9 November 2016 to contribute DKK 4bn to Totalkredit A/S in the form of Additional Tier 1 capital and DKK 2bn to Nykredit Bank A/S in the form of Tier 2 capital.

The capital increase in Totalkredit should be viewed in light of the expected introduction in the EU of a minimum leverage ratio (LR) requirement of 3% of total assets for all credit institutions, including Totalkredit, from 2018. In future this requirement is expected to become the new binding regulatory requirement for Totalkredit. Thus, the capital contribution will serve to secure Totalkredit's capital position and the build-up of an adequate capital buffer.

A Tier 2 capital contribution of DKK 2bn will be made to Nykredit Bank, which should be viewed in the context of a number of model changes, which have prompted a DKK 30bn rise in Nykredit Bank's risk exposure amount. At present, the company has sufficient capital to meet Nykredit's target of total capital corresponding to the regulatory requirement with the addition of 1.5% of the risk exposure amount. However, in early 2017 the regulatory requirement will increase by about 1.1% of the risk exposure amount as a result of the phase-in of the regulatory buffers (SIFI and permanent buffers). The capital contribution thus underpins Nykredit Bank's capital structure – with respect to both the regulatory requirement and the target of maintaining a capital buffer.

Nykredit Holding A/S Shareholders as at 30 September 2016

	Share capital, DKK	Share capital, %
Foreningen Nykredit	1,191,622,100	89.80
Østifterne f.m.b.a.	43,179,700	3.25
PRAS A/S	29,852,600	2.25
Industriens Fond	62,326,300	4.70
Total	1,326,980,700	100.00

Cost reduction

In recent years, Nykredit has made targeted efforts to streamline its business. We will now intensify these efforts to prepare Nykredit in the best possible way for the many changes facing us as a business – and the sector as a whole.

Against this backdrop, Nykredit has announced that up to 240 staff positions will be discontinued. To limit the number of staff reductions as much as possible, a number of vacant positions will not be refilled. As a result, Nykredit's staff will be reduced by up to 190 people. The staff reductions will be carried out on 15 November 2016 and will affect managers as well as staff members.

Moreover, non-staff cost savings will be implemented in relation to, for example, the marketing budget and the use of external consultants, and some staff benefits, totalling roughly DKK 40m annually. Overall, these cost savings including the staff reductions will reduce costs by over DKK 200m annually.

Sale of headquarters buildings

Nykredit has sold the buildings dubbed the Glass Cube and the Crystal to DADES A/S. The registered sales price amounts to about DKK 1.5bn. Under the sales agreement, Nykredit will continue as tenant for at least 5.5 years. If Nykredit vacates the buildings and ceases being a tenant immediately after this period, Nykredit must pay compensation to the buyer at the time in question, which will lower the final price of the buildings to about DKK 1.4bn. Based on a final price of about DKK 1.4bn, the sale will generate a pre-tax profit for accounting purposes of about DKK 400m, which will be recognised in Q4/2016.

The shift from owner to tenant means that Nykredit will in future have to pay rent, which will increase the operating costs, viewed separately.

Notwithstanding the sale of the Glass Cube and the Crystal, the buildings at Anker Heegaards Gade/Otto Mønstedts Plads at Kalvebod Brygge are still listed for sale.

Other events

No other events have occurred in the period up to the presentation of the Q1-Q3 Interim Report 2016 which affect the Nykredit Holding Group's financial position.

MANAGEMENT STATEMENT

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD ON THE INTERIM REPORT

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January – 30 September 2016 of Nykredit Holding A/S and the Nykredit Holding Group.

The Interim Report has been prepared in accordance with the Danish Financial Business Act and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

We are of the opinion that the Interim Financial Statements give a fair presentation of the Group's and the Parent Com-

pany's assets, liabilities, equity and financial position at 30 September 2016 and of the results of the Group's and the Parent Company's operations for the financial period 1 January – 30 September 2016.

We are furthermore of the opinion that the Management's Review gives a fair review of the development in the operations and financial circumstances of the Group and the Parent Company as well as a description of the material risk and uncertainty factors which may affect the Group and the Parent Company.

The Interim Report has not been subject to audit or review.

Copenhagen, 10 November 2016

Executive Board

Michael Rasmussen
Group Chief Executive

Kim Duus
Group Managing Director

David Hellemann
Group Managing Director

Søren Holm
Group Managing Director

Anders Jensen
Group Managing Director

Board of Directors

Steffen Kragh
Chairman

Merete Eldrup
Deputy Chairman

Nina Smith
Deputy Chairman

Helge Leiro Baastad

Hans Bang-Hansen

Olav Bredgaard Brusen*

Michael Demsitz

Per W. Hallgren

Marlene Holm*

Allan Kristiansen*

Bent Naur

Lasse Nyby

Anders C. Obel

Claus E. Petersen

Erling Bech Poulsen

Inge Sand*

Lars Peter Skaarup*

Leif Vinther*

* Staff-elected member

Statements of income and comprehensive income for 1 January – 30 September

DKK million

Nykredit Holding Group	Note	Q1-Q3/ 2016	Q1-Q3/ 2015	Q3/ 2016	Q3/ 2015
INCOME STATEMENT					
Interest income	5	21,585	25,095	7,103	7,854
Interest expenses	6	13,202	16,105	4,203	4,822
Net interest income		8,383	8,990	2,901	3,032
Dividend on equities		103	96	11	9
Fee and commission income		1,712	1,936	625	517
Fee and commission expenses		1,960	1,979	762	598
Net interest and fee income		8,238	9,044	2,774	2,960
Value adjustments	7	74	455	992	(535)
Other operating income		149	136	44	44
Staff and administrative expenses	8	3,427	3,392	1,163	1,122
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	9	156	2,074	54	1,955
Other operating expenses		124	94	42	60
Impairment losses on loans, advances and receivables	10	385	693	260	244
Profit from investments in associates and Group enterprises	11	7	6	1	2
Profit (loss) before tax		4,376	3,388	2,293	(911)
Tax	12	898	1,145	449	233
Profit (loss) for the period		3,478	2,242	1,843	(1,143)
Distribution of profit (loss) for the period					
Shareholders of Nykredit Holding A/S		3,302	2,104	1,785	(1,202)
Minority interests		1	-	0	-
Holders of Additional Tier 1 capital notes		174	138	58	59
Profit (loss) for the period		3,478	2,242	1,843	(1,143)
COMPREHENSIVE INCOME					
Profit (loss) for the period		3,478	2,242	1,843	(1,143)
Other comprehensive income					
Items that cannot be reclassified to profit or loss:					
Actuarial gains/losses on defined benefit plans		14	10	14	(2)
Total items that cannot be reclassified to profit or loss		14	10	14	(2)
Other comprehensive income		14	10	14	(2)
Comprehensive income for the period		3,492	2,252	1,858	(1,145)
Distribution of comprehensive income					
Shareholders of Nykredit Holding A/S		3,317	2,114	1,799	(1,204)
Minority interests		1	-	0	-
Holders of Additional Tier 1 capital notes		174	138	59	59
Comprehensive income for the period		3,492	2,252	1,858	(1,145)

Statements of income and comprehensive income for 1 January – 30 September

DKK million

Nykredit Holding A/S	Note	Q1-Q3/ 2016	Q1-Q3/ 2015	Q3/ 2016	Q3/ 2015
RESULTATOPGØRELSE					
Staff and administrative expenses	8	24	3	9	1
Profit from investments in associates and Group enterprises	11	3,325	2,107	1,796	(1,201)
Profit (loss) before tax		3,301	2,103	1,787	(1,202)
Tax		(1)	(1)	2	(0)
Profit (loss) for the period		3,302	2,104	1,784	(1,202)
Distribution of profit (loss) for the period					
Shareholders of Nykredit Holding A/S		3,302	2,104	1,784	(1,202)
Profit (loss) for the period		3,302	2,104	1,784	(1,202)
COMPREHENSIVE INCOME					
Profit (loss) for the period		3,302	2,104	1,784	(1,202)
Other comprehensive income					
Items that cannot be reclassified to profit or loss:					
Share of comprehensive income in associates and Group enterprises		14	10	14	(2)
Total items that cannot be reclassified to profit or loss		14	10	14	(2)
Other comprehensive income		14	10	14	(2)
Comprehensive income for the period		3,317	2,114	1,799	(1,204)
Distribution of comprehensive income					
Shareholders of Nykredit Holding A/S		3,317	2,114	1,799	(1,204)
Comprehensive income for the period		3,317	2,114	1,799	(1,204)

Balance sheets, end of period

DKK million

Nykredit Holding A/S		Nykredit Holding Group		
31.12.2015	30.09.2016	Note	30.09.2016	31.12.2015
ASSETS				
-	-		2,096	3,095
15	2	13	39,589	20,158
-	-	14	1,152,752	1,158,926
-	-	15	53,410	47,036
-	-	16	104,454	106,200
-	-		4,121	4,094
-	-		128	124
61,686	65,046		-	-
-	-	17	237	271
Land and buildings				
-	-		209	244
-	-		1,446	1,460
-	-		1,655	1,704
-	-		190	235
6	9		52	6
-	-		101	103
-	-		201	451
-	-	18	46,532	41,171
1	1		292	222
61,708	65,057		1,405,810	1,383,796

Balance sheets, end of period

DKK million

Nykredit Holding A/S		Nykredit Holding Group		
31.12.2015	30.09.2016	Note	30.09.2016	31.12.2015
LIABILITIES AND EQUITY				
-	-	19	19,362	30,226
-	-	20	64,895	62,584
-	-	21	1,151,669	1,137,314
-	-	22	23,302	23,945
-	-	23	16,963	10,126
-	-		842	142
-	-		29	29
1	12	24	47,994	42,305
-	-		9	7
1	12		1,325,065	1,306,678
Provisions				
-	-		164	175
-	-		182	123
-	-		61	63
-	-		50	100
-	-		136	169
-	-		593	630
-	-	25	11,276	11,006
Equity				
1,327	1,327		1,327	1,327
Accumulated value adjustments				
-	-		155	160
Other reserves				
43,505	46,865		-	-
-	-		26,787	26,787
16,876	16,853		36,776	33,434
61,708	65,045		65,045	61,708
-	-		5	-
-	-		3,826	3,774
61,708	65,045		68,876	65,482
61,708	65,057		1,405,810	1,383,796
OFF-BALANCE SHEET ITEMS				
-	-	26	6,720	6,942
-	-		6,965	6,637
-	-		13,685	13,579

Statement of changes in equity for 1 January – 30 September

DKK million

Nykredit Holding A/S

	Share capital ¹	Statutory reserves ²	Retained earnings	Total equity
2016				
Equity, 1 January	1,327	43,505	16,876	61,708
Profit (loss) for the period	-	3,325	(23)	3,302
Total other comprehensive income	-	14	-	14
Total comprehensive income for the period	-	3,339	(23)	3,317
Adjustment relating to subsidiary	-	21	-	21
Equity, 30 September	1,327	46,865	16,853	65,045
2015				
Equity, 1 January	1,327	41,322	16,879	59,527
Impairment of goodwill relating to the acquisition of Forstædernes Bank A/S	-	(852)	-	(852)
Equity, 1 January, as restated	1,327	40,469	16,879	58,675
Profit (loss) for the period	-	2,107	(3)	2,104
Total other comprehensive income	-	10	-	10
Total comprehensive income for the period	-	2,117	(3)	2,114
Adjustment relating to subsidiary	-	(20)	-	(20)
Equity, 30 September	1,327	42,566	16,876	60,769

¹ The share capital is divided into shares of DKK 100 and multiples thereof. Nykredit Holding A/S has only one class of shares, and all the shares confer the same rights on shareholders.

² The item relates to transfer to reserves for net revaluation according to the equity method. The item includes a non-distributable reserve fund of DKK 1,646m in Totalkredit.

Statement of changes in equity for 1 January – 30 September

DKK million

Nykredit Holding Group

	Share capital ¹	Revaluation reserves	Series reserves	Retained earnings	Shareholders of Nykredit Holding A/S	Minority interests	Additional Tier 1 capital ²	Total equity
2016								
Equity, 1 January	1,327	160	26,787	33,434	61,708	-	3,774	65,482
Profit for the period	-	-	-	3,302	3,302	1	174	3,478
Total other comprehensive income	-	-	-	14	14	-	-	14
Total comprehensive income for the period	-	-	-	3,317	3,317	1	174	3,492
Transactions with holders								
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	(116)	(116)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	6	6	-	(6)	-
Tax	-	-	-	15	15	-	-	15
Additions relating to acquisition of Group enterprise	-	-	-	-	-	3	-	3
Realised from the sale of properties	-	(5)	-	5	-	-	-	-
Equity, 30 September	1,327	155	26,787	36,776	65,045	5	3,826	68,876
2015								
Equity, 1 January	1,327	151	30,975	27,074	59,527	-	-	59,527
Impairment of goodwill relating to the acquisition of Forstædernes Bank A/S	-	-	-	(852)	(852)	-	-	(852)
Equity, 1 January, as restated	1,327	151	30,975	26,222	58,675	-	-	58,675
Profit for the period	-	-	-	2,104	2,104	-	138	2,242
Total other comprehensive income	-	-	-	10	10	-	-	10
Total comprehensive income for the period	-	-	-	2,114	2,114	-	138	2,252
Transactions with holders								
Issuance of Additional Tier 1 capital	-	-	-	-	-	-	3,731	3,731
Net transaction costs	-	-	-	(39)	(39)	-	-	(39)
Interest paid on Additional Tier 1 capital	-	-	-	-	-	-	(38)	(38)
Foreign currency translation adjustment of Additional Tier 1 capital	-	-	-	1	1	-	(1)	-
Tax	-	-	-	18	18	-	-	18
Realised from the sale of properties	-	(6)	-	6	-	-	-	-
Equity, 30 September	1,327	145	30,975	28,322	60,769	-	3,831	64,599

¹ The share capital is divided into shares of DKK 100 and multiples thereof. Nykredit Holding A/S has only one class of shares, and all the shares confer the same rights on shareholders.

² Additional Tier 1 (AT1) capital is perpetual, and payment of principal and interest is discretionary. For accounting purposes, the AT1 capital is consequently treated as equity. On 26 February 2015, Nykredit issued EUR 500m (nominal) of AT1 capital, which may be redeemed from 26 October 2020. The AT1 capital carries an interest rate of 6.25% pa up to 26 October 2020, after which date the interest rate will be fixed every five years. If the Common Equity Tier 1 (CET1) capital ratio of Nykredit Realkredit A/S, the Nykredit Realkredit Group or the Nykredit Holding Group falls below 7.125%, the loan will be written down.

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Notes

1. ACCOUNTING POLICIES

General

The Q1-Q3 Interim Report 2016 for Nykredit Holding A/S and the Nykredit Holding Group has been prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. (the Danish Executive Order on the Presentation of Financial Statements) issued by the Danish Financial Supervisory Authority (FSA).

In all material respects, these rules are in accordance with the International Financial Reporting Standards (IFRS).

Changes to the Executive Order on the presentation of financial reports

The Danish FSA has not made any amendments to the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc for 2016 that has affected the Q1-Q3 Interim Report 2016.

Change in the presentation of business areas

Effective from Q1/2016, the Group has launched a new business area, Wealth Management, comprising Private Banking Elite and Nykredit Asset Management, including Nykredit Portefølje Administration A/S, which were previously included in Wholesale Clients. In this connection, the distribution of income between Private Banking Elite and Retail has been adjusted.

Effective from Q4/2015, Nykredit Leasing A/S's activities have been transferred from Wholesale Clients to Retail, and a number of expenses, including IT expenses and management-related costs, previously allocated to Group Items have been reallocated to the business areas.

Comparative figures for the business areas have been restated accordingly. Please refer to note 4.

The changes did not affect Nykredit Holding's or the Nykredit Holding Group's results, comprehensive income, balance sheet or equity.

Other information

The accounting policies are otherwise unchanged compared with the Annual Report 2015. For a full description of the Group's and the Parent Company's accounting policies, please refer to note 1 of the Annual Report 2015, which is available at nykredit.com/reports.

All figures in the Q1-Q3 Interim Report 2016 are rounded to the nearest million kroner (DKK). The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
2. CAPITAL AND CAPITAL ADEQUACY			
61,708	65,045	Equity for accounting purposes	68,876 65,482
-	-	Minority interests not included	(5) -
-	-	Carrying amount of Additional Tier 1 capital recognised in equity	(3,826) (3,774)
61,708	65,045	Equity excluding Additional Tier 1 capital and minorities	65,045 61,708
-	-	Prudent valuation adjustment	(570) (359)
-	-	Intangible assets excluding deferred tax liabilities	(195) (223)
-	-	Provisions for expected losses in accordance with IRB approach	(206) (1,116)
-	-	Other additions/deductions	(549) (544)
-	-	Transitional adjustment of deductions	180 806
-	-	Common Equity Tier 1 capital deductions	(1,339) (1,436)
61,708	65,045	Common Equity Tier 1 capital	63,706 60,272
-	-	Additional Tier 1 capital/hybrid capital	1,457 1,188
-	-	Additional Tier 1 capital/hybrid capital deductions	(30) (22)
-	-	Transitional adjustment of deductions	(29) (322)
-	-	Total Additional Tier 1 capital/hybrid capital after deductions	1,398 845
61,708	65,045	Tier 1 capital	65,104 61,117
-	-	Tier 2 capital	4,628 3,616
-	-	Transitional adjustment of deductions	(41) (335)
61,708	65,045	Own funds	69,691 64,398
228,240	240,672	Credit risk	309,592 263,847
-	-	Market risk	26,057 27,958
93	42	Operational risk	19,678 18,489
228,333	240,714	Total risk exposure amount	355,328 310,294
Financial ratios			
27.0	27.0	Common Equity Tier 1 capital ratio, %	17.9 19.4
27.0	27.0	Tier 1 capital ratio, %	18.3 19.6
27.0	27.0	Total capital ratio, %	19.6 20.7

Capital and capital adequacy have been determined in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (the Capital Requirements Regulation) as well as the Danish transitional rules laid down by the Danish FSA.

Nykredit Holding Group

	Q1-Q3/2016			Q1-Q3/2015		
3. RESULTS FROM CORE BUSINESS AND OTHER ACTIVITIES	Core business	Other Activities¹	Total	Core business	Other Activities¹	Total
Net interest income	7,787	596	8,383	8,073	917	8,990
Dividend on equities	8	95	103	4	92	96
Fee and commission income, net	(235)	(13)	(248)	(26)	(17)	(43)
Net interest and fee income	7,560	678	8,238	8,051	992	9,043
Value adjustments	890	(816)	74	480	(24)	456
Other operating income	149	-	149	136	-	136
Staff and administrative expenses	3,427	-	3,427	3,392	-	3,392
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	156	-	156	167	1,907	2,074
Other operating expenses	124	-	124	94	-	94
Impairment losses on loans and advances	385	-	385	693	-	693
Profit from investments in associates	-	7	7	-	6	6
Profit (loss) before tax	4,507	(131)	4,376	4,321	(933)	3,388

¹ Results from Other Activities comprise negative value adjustment of interest rate swaps of DKK 1,273m (2015: positive value adjustment of DKK 212m), goodwill impairment of DKK 0m (2015: DKK 1,907m) and investment portfolio income of DKK 1,142m (2015: DKK 762m).

Notes

DKK million

Nykredit Holding Group

4. BUSINESS AREAS

RESULTS Q1-Q3/2016	Personal Banking	Business Banking	Total Retail	Totalkredit Partners	Corporate & Institutional Banking	Markets	Total Wholesale Clients	Wealth Management	Group Items	Total
Core income from										
- customer activities, gross	1,874	2,368	4,242	2,136	1,218	554	1,772	767	45	8,962
- payment for distribution	246	179	425	-	58	(226)	(168)	(257)	-	-
Total business operations	2,120	2,547	4,667	2,136	1,276	328	1,604	510	45	8,962
- senior and subordinated debt	(32)	(46)	(78)	(112)	(6)	-	(6)	0	(200)	(396)
- core income from securities	-	-	-	-	-	-	-	-	33	33
Income from core business	2,088	2,501	4,589	2,024	1,270	328	1,598	510	(122)	8,599
Operating costs and depreciation of equipment ¹			2,367	414	260	203	463	292	67	3,603
Mortgage bank contribution to the Danish Resolution Fund ¹			73	2	29	-	29	-	-	104
Profit (loss) from core business before impairment losses			2,149	1,608	981	125	1,106	218	(189)	4,892
Impairment losses on loans and advances	409	141	550	24	(202)	-	(202)	19	(6)	385
Profit (loss) from core business			1,599	1,584	1,183	125	1,308	199	(183)	4,507
Value adjustment of interest rate swaps	0	(552)	(552)	-	(722)	1	(721)	0	-	(1,273)
Investment portfolio income ²	-	-	-	-	-	-	-	-	1,142	1,142
Profit before tax			1,047	1,584	461	126	587	199	959	4,376
BALANCE SHEET										
Assets										
Mortgage loans at fair value	190,390	243,938	434,328	511,031	178,009	-	178,009	4,514	-	1,127,881
Reverse repurchase lending at fair value	-	-	-	-	-	24,871	24,871	-	-	24,871
Loans and advances at amortised cost	11,279	17,462	28,741	52	20,825	-	20,825	2,341	1,451	53,410
Assets by business area	201,669	261,400	463,069	511,083	198,834	24,871	223,705	6,855	1,451	1,206,162
Unallocated assets										199,648
Total assets										1,405,810
Liabilities and equity										
Bank deposits and other payables at amortised cost	25,451	17,532	42,983	-	11,678	-	11,678	7,646	2,590	64,897
Liabilities by business area	25,451	17,532	42,983	-	11,678	-	11,678	7,646	2,590	64,897
Unallocated liabilities										1,272,037
Equity										68,876
Total liabilities and equity										1,405,810

¹ Operating costs and depreciation of equipment for Retail Personal Banking and Retail Business Banking are presented and assessed jointly for internal reporting purposes.

² Investment portfolio income includes profit from equity investments and the sale of equity investments in associates of DKK 7m.

The business areas reflect the Nykredit Group's overall business areas. Retail serves personal customers as well as small and medium-sized enterprises (SMEs). Wholesale Clients comprises activities with corporate and institutional clients, securities trading and derivatives trading. Wealth Management comprises wealth and asset management activities. Group Items comprises Nykredit Bank's Treasury area as well as unallocated costs.

Effective from Q1/2016, the Group has launched a new business area, Wealth Management, comprising Private Banking Elite and Nykredit Asset Management, including Nykredit Portefølje Administration A/S, which were previously included in Wholesale Clients. In this connection, the distribution of income between Private Banking Elite and Retail has been adjusted.

As a result of the above changes, profit before tax for Q1-Q3/2016 was reduced by DKK 115m in Retail, remained unchanged in Totalkredit Partners, decreased by DKK 84m in Wholesale Clients, increased by DKK 199m in Wealth Management and remained unchanged in Group Items.

Notes

DKK million

Nykredit Holding Group

4. BUSINESS AREAS (CONTINUED)

RESULTS Q1-Q3/2015	Personal Banking	Business Banking	Total Retail	Totalkredit Partners	Corporate & I nstitutional Banking	Markets	Total Wholesale Clients	Wealth Management	Group Items	Total
Core income from										
- customer activities, gross	2,025	2,393	4,418	2,110	1,310	635	1,945	652	(3)	9,122
- payment for distribution	248	172	420	-	60	(238)	(178)	(242)	-	-
Total business operations	2,273	2,565	4,838	2,110	1,370	397	1,767	410	(3)	9,122
- senior and subordinated debt	(40)	(55)	(95)	(133)	(10)	-	(10)	0	(245)	(483)
- core income from securities	-	-	-	-	-	-	-	-	29	29
Income from core business	2,233	2,510	4,743	1,977	1,360	397	1,757	410	(219)	8,668
Operating costs and depreciation of equipment ¹			2,442	368	262	251	513	269	16	3,608
Mortgage bank contribution to the Danish Resolution Fund ¹			18	21	7	-	7	0	-	46
Profit (loss) from core business before impairment losses			2,283	1,588	1,091	146	1,237	141	(235)	5,014
Impairment losses on loans and advances	72	509	581	371	(259)	-	(259)	0	-	693
Profit (loss) from core business			1,702	1,217	1,350	146	1,496	141	(235)	4,321
Value adjustment of interest rate swaps	1	139	140	-	73	0	73	(1)	-	212
Goodwill impairment	-	-	-	1,907	-	-	-	-	-	1,907
Investment portfolio income ²	-	-	-	-	-	-	-	-	762	762
Profit (loss) before tax			1,842	(690)	1,423	146	1,569	140	527	3,388

BALANCE SHEET, 31 DECEMBER 2015

Assets

Mortgage loans at fair value	192,549	245,376	437,925	496,528	181,679	-	181,679	3,327	-	1,119,459
Reverse repurchase lending at fair value	-	-	-	-	-	39,467	39,467	-	-	39,467
Loans and advances at amortised cost	12,077	14,977	27,054	45	18,007	-	18,007	1,922	8	47,036
Assets by business area	204,626	260,353	464,979	496,573	199,686	39,467	239,153	5,249	8	1,205,962
Unallocated assets										177,834
Total assets										1,383,796

Liabilities and equity

Bank deposits and other payables at amortised cost	23,781	17,018	40,799	-	13,700	-	13,700	7,828	272	62,599
Liabilities by business area	23,781	17,018	40,799	-	13,700	-	13,700	7,828	272	62,599
Unallocated liabilities										1,255,737
Equity										65,460
Total liabilities and equity										1,383,796

¹ Operating costs and depreciation of equipment for Retail Personal Banking and Retail Business Banking are presented and assessed jointly for internal reporting purposes.

² Investment portfolio income includes profit from equity investments and the sale of equity investments in associates of DKK 6m.

Effective from Q4/2015, Nykredit Leasing A/S's activities have been transferred from Wholesale Clients to Retail and a number of expenses including IT expenses and Group management-related costs previously carried under Group Items have been reallocated to the business areas.

As a result of these changes and the changes introduced as from Q1/2016, profit before tax for Q1-Q3/2015 reduced by a total of DKK 277m in Retail, remained unchanged in Totalkredit Partners, reduced by DKK 324m in Wholesale Clients, increased by DKK 140m in Wealth Management and increased by DKK 461m in Group Items.

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
Q1-Q3/2015	Q1-Q3/2016	Q1-Q3/2016	Q1-Q3/2015
	5. INTEREST INCOME		
-	- Receivables from credit institutions and central banks	(23)	(20)
-	- Loans, advances and other receivables	14,155	17,294
-	- Administration margin income	6,818	6,583
	Bonds		
-	- self-issued covered bonds (SDOs, ROs)	309	635
-	- other covered bonds	639	882
-	- government bonds	187	219
-	- other bonds	132	143
	Derivative financial instruments		
-	- foreign exchange contracts	116	132
-	- interest rate contracts	(471)	(145)
-	- equity contracts	(18)	(32)
-	- other contracts	6	2
-	- other interest income	60	88
-	- Total	21,910	25,780
-	- Set-off of interest from self-issued covered bonds – note 6	(309)	(635)
-	- Set-off of interest from self-issued other bonds – note 6	(16)	(50)
-	- Total	21,585	25,095
	Of which interest income from reverse repurchase lending entered as:		
-	- Receivables from credit institutions and central banks	(27)	(14)
-	- Loans, advances and other receivables	(77)	(68)
	6. INTEREST EXPENSES		
-	- Credit institutions and central banks	(14)	(11)
-	- Deposits and other payables	(30)	90
-	- Bonds in issue	13,253	16,401
-	- Subordinated debt	276	294
-	- Other interest expenses	42	16
-	- Total	13,527	16,790
-	- Set-off of interest from self-issued covered bonds – note 5	(309)	(635)
-	- Set-off of interest from self-issued other bonds – note 5	(16)	(50)
-	- Total	13,202	16,105
	Of which interest expenses from repo transactions entered as:		
-	- Credit institutions and central banks	(42)	(40)
-	- Deposits and other payables	(57)	(12)

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
Q1-Q3/2015	Q1-Q3/2016	Q1-Q3/2016	Q1-Q3/2015
	7. VALUE ADJUSTMENTS		
	Assets measured at fair value through profit or loss		
-	- Mortgage loans, a)	19,119	(16,024)
-	- Other loans, advances and receivables at fair value, b)	2	(3)
-	- Bonds, b)	1,776	(635)
-	- Equities, b)	157	596
-	- Investment properties	(12)	2
-	- Foreign exchange	23	369
-	- Foreign exchange, interest rate and other contracts as well as derivative financial instruments, b)	(1,908)	(95)
	Liabilities measured at fair value through profit or loss		
-	- Bonds in issue, a)	(19,083)	16,245
-	- Total	74	455
	a) Financial assets and liabilities classified at fair value on initial recognition.		
	b) Financial assets and liabilities classified under the trading book.		
	8. STAFF AND ADMINISTRATIVE EXPENSES		
3	3 Remuneration of Board of Directors and Executive Board	52	39
-	- Staff expenses	2,184	2,127
0	21 Other administrative expenses	1,191	1,226
3	24 Total	3,427	3,392
	Remuneration of Board of Directors and Executive Board		
	Board of Directors		
3	3 Fees	6	6
	Executive Board		
-	- Base salaries	29	26
-	- Pensions	4	6
-	- Post-employment salary and termination benefits for one Group Managing Director	13	-
3	3 Total	52	39
	Bente Overgaard stepped down from the Group Executive Board on 30 June 2016 and will receive post-employment salary and termination benefits totalling DKK 12m in accordance with her contract. She will further receive special termination benefits equal to six months' salary. Bente Overgaard will remain available to Nykredit for a period of time.		
	Staff expenses		
-	- Salaries	1,722	1,692
-	- Pensions	186	195
-	- Payroll tax	259	225
-	- Other social security expenses	18	14
-	- Total	2,184	2,127
-	- Average number of staff, full-time equivalents	3,609	3,763

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
Q1-Q3/2015	Q1-Q3/2016	Q1-Q3/2016	Q1-Q3/2015
9. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS			
Intangible assets			
-	- amortisation	73	64
-	- impairment losses	-	1,923
Property, plant and equipment			
-	- depreciation	84	87
-	- Total	156	2,074
10. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
10 a. Earnings impact			
-	- Change in individual impairment provisions for loans and advances	582	691
-	- Change in collective impairment provisions for loans and advances	(171)	(113)
-	- Write-offs for the period, not previously written down for impairment	240	384
-	- Recoveries on claims previously written off	(93)	(104)
-	- Provisions for guarantees, net	(50)	3
-	- Total impairment losses on loans, advances and receivables, and provisions for guarantees	508	861
-	- Value adjustment of assets in temporary possession	56	54
-	- Value adjustment of claims previously written off	(4)	(26)
-	- Write-offs offset against commission payments to partner banks	(175)	(197)
-	- Total	385	693
10 b. Specification of impairment provisions for loans, advances and receivables			
-	- Individual impairment provisions	6,107	6,357
-	- Collective impairment provisions	2,152	2,488
-	- Total impairment provisions	8,260	8,845
Impairment provisions have been offset against the following items:			
-	- Mortgage loans – note 14	5,314	5,436
-	- Arrears and outlays – note 14	291	247
-	- Bank loans and advances – note 15	2,611	3,118
-	- Receivables from credit institutions	44	44
-	- Total impairment provisions	8,260	8,845
10 c. Individual impairment provisions for loans and advances			
-	- Impairment provisions, beginning of period	6,223	6,465
-	- Impairment provisions for the period	1,526	1,654
-	- Impairment provisions reversed	(944)	(963)
-	- Transferred to properties acquired by foreclosure – note 10 g.	(33)	(68)
-	- Impairment provisions written off	(708)	(774)
-	- Impairment provisions, end of period	6,064	6,313

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group		
Q1-Q3/2015	Q1-Q3/2016	Q1-Q3/2016	Q1-Q3/2015	
10. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (CONTINUED)				
10 d. Collective impairment provisions for loans and advances				
-	-	Impairment provisions, beginning of period	2,324	2,602
-	-	Impairment provisions for the period, net	(171)	(113)
-	-	Impairment provisions, end of period	2,152	2,488
10 e. Individual impairment provisions for receivables from credit institutions				
-	-	Impairment provisions, beginning of period	44	44
-	-	Impairment provisions, end of period	44	44
10 f. Specification of loans, advances and receivables from credit institutions with objective evidence of impairment				
-	-	Loans and advances subject to individual provisioning before impairment	20,694	20,508
-	-	Impairment	6,064	6,313
-	-	Loans and advances after impairment	14,630	14,194
-	-	Loans and advances subject to collective provisioning before impairment	132,226	118,614
-	-	Impairment	2,152	2,488
-	-	Loans and advances after impairment	130,073	116,126
-	-	Receivables from credit institutions subject to individual provisioning before impairment	54	54
-	-	Impairment	44	44
-	-	Receivables after impairment	10	10
10 g. Impairment provisions for properties acquired by foreclosure				
-	-	Impairment provisions, beginning of period	287	414
-	-	Transfer from impairment provisions for loans and advances – note 10 c.	33	68
-	-	Impairment provisions for the period	82	99
-	-	Impairment provisions reversed	(26)	(44)
-	-	Impairment provisions written off	(147)	(201)
-	-	Impairment provisions, end of period	229	336
Impairment provisions for properties acquired by foreclosure have been offset against "Assets in temporary possession".				
11. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES				
-	-	Profit from investments in associates	7	6
2,107	3,325	Profit from investments in Group enterprises	-	-
2,107	3,325	Total	7	6
12. TAX				
		Current tax rates, %	22.0	23.5
		Non-taxable income and deductible expenses	(0.7)	10.3
		Effective tax rate, %	21.3	33.8
In Q1-Q3/2015, the effective tax rate was affected by goodwill impairment of DKK 1,907m. Adjusted for goodwill, the effective tax rate for Q1-Q3/2015 would be 20.7%.				

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
		13. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS	
-	-	23,773	6,772
15	2	13,957	12,284
-	-	510	-
-	-	1,349	1,102
15	2	39,589	20,158
		14. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE	
-	-	1,127,516	1,119,101
-	-	365	358
-	-	24,871	39,467
-	-	1,152,752	1,158,926
		14 a. Mortgage loans	
-	-	1,114,324	1,111,744
-	-	137,272	257,128
-	-	159	152
-	-	(1,069)	926
-	-	(15,751)	(18,974)
-	-	(130,694)	(236,652)
-	-	1,104,242	1,114,324
-	-	(121)	(255)
-	-	227	231
-	-	1,104,348	1,114,300
-	-	28,482	10,198
		Adjustment for credit risk	
-	-	(3,318)	(3,215)
-	-	(1,996)	(2,182)
-	-	1,127,516	1,119,101
		As collateral for loans and advances, Nykredit has received mortgages over real estate and:	
-	-	49,337	44,772
-	-	14,672	12,913
-	-	22,555	13,302
		14 b. Arrears and outlays	
-	-	369	385
-	-	287	269
-	-	(291)	(297)
-	-	365	358

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
15. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST			
-	- Bank loans and advances	55,726	49,599
-	- Mortgage loans	17	19
-	- Other loans and advances	302	295
-	- Balance, end of period	56,046	49,914
Adjustment for credit risk			
-	- Individual impairment provisions	(2,455)	(2,711)
-	- Collective impairment provisions	(156)	(141)
-	- Balance after impairment, end of period	53,435	47,061
-	Set-off of self-issued "Other loans and advances" against "Bonds in issue at amortised cost" – note 22	(25)	(25)
-	- Total	53,410	47,036
16. BONDS AT FAIR VALUE			
-	- Self-issued covered bonds (særligt dækkede obligationer, SDOs)	125,299	72,801
-	- Self-issued covered bonds (realkreditobligationer, ROs)	23,886	34,506
-	- Self-issued corporate bonds	1,174	2,028
-	- Self-issued senior debt	210	370
-	- Other ROs	89,401	85,747
-	- Government bonds	10,899	12,969
-	- Other bonds	4,154	7,485
-	- Total	255,022	215,905
-	- Set-off of self-issued SDOs against "Bonds in issue at fair value" – note 21	(125,281)	(72,774)
-	- Set-off of self-issued SDOs against "Bonds in issue at amortised cost" – note 22	(18)	(26)
-	- Set-off of self-issued ROs against "Bonds in issue at fair value" – note 21	(23,886)	(34,506)
-	- Set-off of self-issued corporate bonds against "Bonds in issue at amortised cost" – note 22	(1,174)	(2,028)
-	- Set-off of self-issued senior debt against "Bonds in issue at fair value" – note 21	(210)	(370)
-	- Total	104,454	106,200
-	As collateral security for the Danish central bank and foreign clearing centres, bonds have been deposited of a total market value of	22,585	13,092
Collateral security was provided on an arm's length basis.			

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
17. INTANGIBLE ASSETS			
-	-	14	14
-	-	17	20
-	-	143	117
-	-	51	100
-	-	12	20
-	-	237	271
17 a. Goodwill			
-	-	2,782	2,782
-	-	2,782	2,782
-	-	2,768	-
-	-	-	852
-	-	2,768	852
-	-	-	1,916
-	-	2,768	2,768
-	-	14	14
<p>The Danish FSA has performed a partial review of Nykredit Realkredit's Financial Statements 2014, with special focus on the carrying amount of goodwill. According to the FSA, their review showed that goodwill was overvalued by DKK 852m in Nykredit Realkredit's Financial Statements 2014. As a result, goodwill has been adjusted by DKK 852m at end-2014.</p> <p>The budget period related to the impairment test for 2014 of Nykredit Bank A/S has been changed from 10 years to 5 years, as talks with the Danish FSA have established that the 10-year period was not adequately motivated, including that it is not documented by experience that the longer period provides a better basis of calculation. Furthermore, the FSA does not find that the applied business growth has been adequately documented. As a result of this correction, goodwill of DKK 852m has been written down for impairment in full. Goodwill has been attributed to the business area Group Items, and the impairment test is based on the expected cash flows of Nykredit Bank A/S.</p> <p>For further information, reference is made to note 1, Accounting policies, under General.</p>			
17 b. Fixed-term rights			
-	-	4,575	4,575
-	-	-	1
-	-	-	(1)
-	-	4,575	4,575
-	-	4,555	4,553
-	-	3	2
-	-	4,558	4,555
-	-	17	20

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group		
31.12.2015	30.09.2016	30.09.2016	31.12.2015	
17. INTANGIBLE ASSETS (CONTINUED)				
17 c. Software				
-	-	Cost, beginning of period	1,002	931
-	-	Additions relating to acquisitions	4	-
-	-	Transferred from development projects in progress	84	71
-	-	Cost, end of period	1,089	1,002
Amortisation and impairment losses, beginning of period				
-	-	Transferred from development projects in progress	-	3
-	-	Amortisation for the period	62	63
-	-	Impairment losses for the period	-	11
-	-	Amortisation and impairment losses, end of period	946	884
-	-	Balance, end of period	143	117
17 d. Development projects in progress				
-	-	Cost, beginning of period	100	87
-	-	Additions	37	86
-	-	Transferred to software	(84)	(71)
-	-	Disposals	(2)	(2)
-	-	Cost, end of period	51	100
Amortisation and impairment losses, beginning of period				
-	-	Impairment losses for the period	-	5
-	-	Transferred to software	-	(3)
-	-	Disposals	-	(2)
-	-	Amortisation and impairment losses, end of period	-	-
-	-	Balance, end of period	51	100
17 e. Customer relationships				
-	-	Cost, beginning of period	145	145
-	-	Cost, end of period	145	145
Amortisation and impairment losses, beginning of period				
-	-	Amortisation for the period	9	20
-	-	Impairment losses for the period	-	49
-	-	Amortisation and impairment losses, end of period	133	125
-	-	Balance, end of period	12	20
18. OTHER ASSETS				
-	-	Interest and commission receivable	5,800	6,388
-	-	Positive market value of derivative financial instruments	37,896	31,579
-	-	Defined benefit plans	244	227
-	-	Other	2,592	2,977
-	-	Total	46,532	41,171

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
19. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS			
-	-	12,589	8,543
-	-	510	-
-	-	6,262	21,683
-	-	19,362	30,226
20. DEPOSITS AND OTHER PAYABLES			
-	-	52,405	49,947
-	-	2,306	2,334
-	-	7,375	7,536
-	-	2,809	2,767
-	-	64,895	62,584
21. BONDS IN ISSUE AT FAIR VALUE			
-	-	221,199	251,040
-	-	1,062,943	971,449
-	-	12,599	18,155
-	-	4,305	4,320
-	-	1,301,046	1,244,964
-	-	(149,376)	(107,650)
-	-	1,151,669	1,137,314
21 a. ROs			
-	-	211,808	242,206
-	-	9,390	8,834
-	-	221,199	251,040
-	-	(23,886)	(34,506)
-	-	197,313	216,534
-	-	177	24
-	-	10,766	16,191
21 b. SDOs			
-	-	1,043,848	970,081
-	-	19,094	1,368
-	-	1,062,943	971,449
-	-	(125,281)	(72,774)
-	-	937,662	898,675
-	-	3,993	2,408
-	-	113,565	57,889
21 c. Senior secured debt			
-	-	12,024	17,503
-	-	575	652
-	-	12,599	18,155
-	-	(210)	(370)
-	-	12,389	17,784
-	-	854	118

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
21. BONDS IN ISSUE AT FAIR VALUE (CONTINUED)			
21 d. Senior unsecured debt			
-	-	4,287	4,320
-	-	18	(0)
-	-	4,305	4,320
22. BONDS IN ISSUE AT AMORTISED COST			
-	-	13,245	22,179
-	-	18	26
-	-	3,778	3,789
-	-	7,443	-
-	-	34	30
-	-	24,519	26,024
-	-	(1,174)	(2,028)
-	-	(18)	(26)
-	-	(25)	(25)
-	-	23,302	23,945
23. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE			
-	-	13,201	7,438
-	-	3,762	2,689
-	-	16,963	10,126
24. OTHER LIABILITIES			
-	-	10,256	11,776
-	-	33,828	27,287
1	12	3,910	3,242
1	12	47,994	42,305

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
25. SUBORDINATED DEBT			
Subordinated debt consists of financial liabilities in the form of subordinate loan capital, Additional Tier 1 capital and hybrid capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.			
Subordinated debt is included in Nykredit's own funds in accordance with the EU's Capital Requirements Regulation.			
Subordinate loan capital			
Nom EUR 600m. The loan matures on 3 June 2036, but may be redeemed at par (100) from 3 June 2021. The loan carries a fixed interest rate of 4.0% pa up to 3 June 2021, after which date the interest rate will be fixed every 5 years. If the Common Equity Tier 1 capital ratio of Nykredit Realkredit, the Nykredit Realkredit Group or the Nykredit Holding			
-	-	4,712	4,602
Group falls below 7%, the loan will be written down.			
Nom EUR 800m. The loan matures on 17 November 2027, but may be redeemed at par (100) from 17 November 2022. The loan carries a fixed interest rate of 2.75% pa up to 17 November 2022, after which date the interest rate will be fixed for the next 5 years.			
-	-	6,192	5,932
Nom EUR 50m. The loan matures on 28 October 2030. The loan carries a fixed interest rate of 4% pa for the first 2 years after issuance. In the remaining loan term, the interest rate will be fixed every 6 months.			
-	-	373	373
-	-	11,277	10,907
Total subordinate loan capital			
Additional Tier 1 capital/hybrid capital			
Nom DKK 100m. The loan is perpetual and carries an interest rate of 1.7% pa above 3M Cibor ¹			
-	-	-	100
-	-	-	100
Total Additional Tier 1 capital/hybrid capital			
-	-	(2)	(1)
-	-	11,276	11,006
Total subordinated debt			
-	-	10,804	10,921
-	-	-	29
Subordinated debt that may be included in own funds			
Costs related to raising and redeeming subordinated debt			
-	-	100	6,699
Extraordinary principal payments and redemption of subordinated debt in the financial period			

¹ Following approval by the Danish FSA, hybrid loans of DKK 100m were redeemed in May 2016.

Notes

DKK million

Nykredit Holding A/S		Nykredit Holding Group	
31.12.2015	30.09.2016	30.09.2016	31.12.2015
26. OFF-BALANCE SHEET ITEMS			
Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheets are presented below.			
-	-	6,720	6,942
-	-	6,965	6,637
-	-	13,685	13,579
26 a. Contingent liabilities			
-	-	1,143	1,706
-	-	211	284
-	-	5,366	4,952
-	-	6,720	6,942
"Other contingent liabilities" chiefly comprises purchase price and payment guarantees.			
26 b. Other commitments			
-	-	5,579	5,299
-	-	1,386	1,338
-	-	6,965	6,637

26. OFF-BALANCE SHEET ITEMS (CONTINUED)

Additional contingent liabilities

Owing to its size and business scope, the Nykredit Group is continuously involved in legal proceedings and litigation. The cases are subject to ongoing review, and necessary provisions are made based on an assessment of the risk of loss. Pending cases are not expected to have a significant effect on the Nykredit Group's financial position.

Nykredit participates in the mandatory Danish deposit guarantee scheme. A new scheme was introduced in 2015, as the Danish Guarantee Fund took over the activities and assets of the Danish Guarantee Fund for Depositors and Investors on 1 June 2015. The purpose of the Danish Guarantee Fund is to provide cover for depositors and investors of failing institutions included in the Fund's scheme. The scheme includes both natural and legal persons, and deposits are covered by an amount equivalent to EUR 100,000 per depositor and EUR 20,000 per investor.

Nykredit also participates in the Danish Resolution Fund scheme, which is a resolution finance scheme that was also established on 1 June 2015. The Danish Resolution Fund is financed by annual contributions from participating banks, mortgage lenders and investment companies and, as from 31 December 2024, the assets of the scheme must make up 1% of the sector's covered deposits. Participating institutions pay an annual amount to cover any losses incurred by the Danish Resolution Fund in connection with the resolution of failing institutions.

BEC is an IT provider of Nykredit Bank. According to BEC's articles of association, Nykredit Bank may terminate its membership of BEC giving five years' notice to expire at the end of a financial year. Should the membership terminate for other reasons related to Nykredit Bank, compensation will be payable to BEC as defined in BEC's articles of association. If a bank merges and ceases being an independent bank, the BEC membership terminates without notice but a transitional scheme may apply.

Nykredit Holding A/S Realkredit is jointly taxed in Denmark with Foreningen Nykredit (the Nykredit Association) as the administration company. Pursuant to the Danish Corporation Tax Act, the Company is liable for income taxes etc payable by the jointly taxed companies as of the financial year 2013 and for any obligations to withhold tax at source on interest, royalties and dividends of these companies as of 1 July 2012.

Nykredit is liable for the obligations of the pension fund in run-off Nykredits Afviklingspensionskasse (CVR no 24 25 62 19).

27. RELATED PARTY TRANSACTIONS AND BALANCES

Foreningen Nykredit, Group enterprises and associates of Nykredit Holding A/S as stated in the Group structure as well as Nykredit Holding A/S's Board of Directors, Executive Board and related parties thereof are regarded as related parties.

No unusual related party transactions occurred in Q1-Q3/2016.

The companies have entered into various agreements as a natural part of the Group's day-to-day operations. The agreements typically involve financing, provision of guarantees, sales commission, tasks relating to IT support and IT development projects, payroll and staff administration as well as other administrative tasks.

Intercompany trading in goods and services took place on an arm's length, cost reimbursement or profit split basis.

Significant related party transactions prevailing/entered into in Q1-Q3/2016 include:

Agreements between Nykredit Realkredit A/S and Totalkredit A/S

As a part of the Group's joint funding activities, Nykredit Realkredit A/S has funded mortgage loans granted by its subsidiary Totalkredit A/S on an ongoing basis.

Totalkredit A/S funds its lending by issuing a master bond for each capital centre with Nykredit Realkredit A/S as the only creditor. The master bond constitutes security for Nykredit Realkredit A/S's issuance of covered bonds (ROs and SDOs) and serves to ensure that Totalkredit A/S transfers all payments to bondholders under the loans and advances granted by Totalkredit A/S to Nykredit Realkredit A/S, no later than at the same time as Nykredit Realkredit A/S makes payments to bondholders. The bondholders therefore enjoy the same security as if the Totalkredit loans had been granted directly from Nykredit Realkredit A/S's own balance sheet.

Nykredit Realkredit A/S has granted loans, cf section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, to Totalkredit A/S serving as supplementary collateral in Totalkredit A/S's capital centres. The loans amounted to DKK 11.2bn at 30 September 2016. The loans constitute secondary preferential claims and rank after the master bond in respect of the assets in Totalkredit A/S's capital centres.

An agreement has been made to hedge market risk relating to collateral, including investments, in Totalkredit's capital centres.

Agreement on the distribution of mortgage loans to personal customers via Totalkredit A/S (this agreement was concluded on the same terms as apply to other partners, including commission payments).

Nykredit Realkredit A/S has granted loans of DKK 2.0bn to Totalkredit A/S in the form of subordinated debt.

Agreements between Nykredit Realkredit A/S and Nykredit Bank A/S

Framework agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas.

Notes

DKK million

Nykredit Holding A/S	Q1-Q3/ 2016	Q1-Q3/ 2015	Q1-Q3/ 2014	Q1-Q3/ 2013	Q1-Q3/ 2012
28. FIVE-YEAR FINANCIAL HIGHLIGHTS					
SUMMARY INCOME STATEMENT					
Net interest income	-	-	-	0	0
Net fee income	-	-	-	60	60
Net interest and fee income	-	-	-	60	60
Staff and administrative expenses	24	3	3	3	3
Profit from investments in associates and Group enterprises	3,325	2,107	1,446	1,381	2,473
Profit before tax	3,301	2,103	1,443	1,438	2,530
Tax	(1)	(1)	(1)	14	14
Profit for the period	3,302	2,104	1,444	1,424	2,515
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.09.2016	30.09.2015	30.09.2014	30.09.2013	30.09.2012
Assets					
Cash balances and receivables from credit institutions and central banks	2	15	21	76	174
Remaining assets	10	8	5	1	1
Investments in Group enterprises	65,046	60,747	60,152	58,784	57,569
Total assets	65,057	60,769	60,178	58,862	57,744
Liabilities and equity					
Remaining liabilities	12	1	1	54	34
Equity	65,045	60,769	60,177	58,808	57,710
Total liabilities and equity	65,057	60,769	60,178	58,862	57,744
OFF-BALANCE SHEET ITEMS					
Other commitments	-	-	-	-	-
FINANCIAL RATIOS¹					
Total capital ratio, %	27.0	26.9	26.8	23.6	23.6
Tier 1 capital ratio, %	27.0	26.9	26.8	23.6	23.6
Return on equity before tax, %	5.2	3.5	2.4	2.5	4.5
Return on equity after tax, %	5.2	3.5	2.4	2.4	4.4
Income:cost ratio	141	624	459	466	843
Return on capital employed, %	5.08	3.46	2.40	2.42	4.36

¹ Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 47 in the Annual Report 2015.

Notes

DKK million

Nykredit Holding Group	Q1-Q3/ 2016	Q1-Q3/ 2015	Q1-Q3/ 2014	Q1-Q3/ 2013	Q1-Q3/ 2012
28. FIVE-YEAR FINANCIAL HIGHLIGHTS (CONTINUED)					
SUMMARY INCOME STATEMENT					
Net interest income	8,383	8,990	8,427	7,526	8,140
Net fee income	(145)	53	8	123	321
Net interest and fee income	8,238	9,044	8,435	7,648	8,461
Value adjustments	74	455	(1,574)	(246)	247
Other operating income	149	136	143	163	163
Staff and administrative expenses	3,427	3,392	3,502	3,679	3,509
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	156	2,074	156	577	560
Other operating expenses	124	94	110	56	23
Impairment losses on loans, advances and receivables	385	693	1,457	1,604	1,533
Profit from investments in associates and Group enterprises	7	6	6	101	30
Profit before tax	4,376	3,388	1,785	1,748	3,277
Tax	898	1,145	341	325	761
Profit for the period	3,478	2,242	1,444	1,424	2,515
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.09.2016	30.09.2015	30.09.2014	30.09.2013	30.09.2012
Assets					
Receivables from credit institutions and central banks	41,685	36,732	37,335	31,983	50,620
Mortgage loans	1,127,516	1,118,029	1,144,160	1,136,059	1,128,680
Bank loans, excluding reverse repurchase lending	53,115	47,506	48,301	49,130	53,980
Bonds and equities	108,574	102,786	120,066	75,521	92,371
Remaining assets	74,919	83,379	98,034	108,118	109,937
Total assets	1,405,810	1,388,433	1,447,896	1,400,812	1,435,588
Liabilities and equity					
Payables to credit institutions and central banks	19,362	35,117	44,217	55,974	80,506
Deposits and other payables	64,895	61,566	60,351	59,084	53,324
Bonds in issue	1,151,669	1,134,618	1,150,270	1,088,084	1,082,066
Subordinated debt	11,276	4,684	11,387	11,028	11,322
Remaining liabilities	89,732	87,847	121,493	127,834	150,660
Equity	68,876	64,599	60,177	58,808	57,710
Total liabilities and equity	1,405,810	1,388,433	1,447,896	1,400,812	1,435,588
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	6,720	7,568	6,511	5,633	5,847
Other commitments	6,965	6,132	6,520	7,872	9,089
FINANCIAL RATIOS¹					
Total capital ratio, %	22.0	21.7	19.0	20.4	18.6
Tier 1 capital ratio, %	18.9	20.4	17.5	20.4	18.6
Return on equity before tax, %	6.6	6.0	3.4	2.4	5.8
Return on equity after tax, %	5.2	4.1	2.8	1.7	4.3
Income:cost ratio	2.07	1.54	1.34	1.30	1.58
Foreign exchange position, %	0.4	0.2	1.2	1.0	0.3
Loans and advances:equity (loan gearing)	17.5	18.6	20.5	21.0	21.1
Growth in loans and advances for the period, %	(1.5)	(0.3)	(1.7)	2.1	4.1
Total impairment provisions, %	0.68	0.73	0.70	0.62	0.59
Impairment losses for the period, %	0.03	0.06	0.12	0.13	0.12
Return on capital employed, %	0.25	0.16	0.10	0.10	0.18

¹ Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 47 in the Annual Report 2015.

Nykredit Holding A/S

29. GROUP STRUCTURE

Name and registered office	Ownership interest as %, 30 September 2016	Profit (loss) for the period	Equity, 30 September 2016	Profit for 2015	Equity, 31 December 2015
Nykredit Holding A/S (Parent Company), Copenhagen, h)	-	3,302	65,045	2,997	61,708
Nykredit Realkredit A/S, Copenhagen, a)	100	3,499	68,872	3,198	65,460
Totalkredit A/S, Copenhagen, a)	100	1,450	20,063	1,500	18,613
Nykredit Bank A/S, Copenhagen, b)	100	(52)	16,065	1,542	16,117
Nykredit Portefølje Administration A/S, Copenhagen, g)	100	83	565	85	482
Nykredit Leasing A/S, Gladsaxe, e)	100	57	579	66	522
Nykredit Mægler A/S, Copenhagen, c)	100	51	125	45	144
Nykredit Ejendomme A/S, Copenhagen, d)	100	23	533	47	510
Ejendomsselskabet Kalvebod A/S, Copenhagen, h)	100	1	210	24	209
Kalvebod Ejendomme I A/S, Copenhagen, d)	100	(6)	112	12	118
Kalvebod Ejendomme II A/S, Copenhagen, d)	100	7	94	12	87
Nykredit Adm. V A/S, Copenhagen, f)	100	0	1	0	1
Bolighed A/S, c)	50	3	9	1	7
	Number of staff	Revenue*	Profit before tax	Tax	Government aid received
Geographical distribution of activities					
Denmark: Companies and activities appear from the Group structure above	3,597	23,453	4,374	898	-
Poland: Nykredit Realkredit A/S S.A. Oddział w Polsce, branch, a)	12	8	1	0	-
Sweden: Nykredit Bank A/S, branch, b) ¹	-	-	-	-	-

¹ The branch in Sweden ceased its activities in January 2015 and is expected to be wound up entirely by the end of 2017.

* For companies preparing financial statements in accordance with the Danish Financial Business Act, revenue is defined as interest, fee and commission income and other operating income.

- a) Mortgage bank
- b) Bank
- c) Estate agency business
- d) Property company
- e) Leasing business
- f) No activity
- g) Investment management company
- h) Holding company, no independent activities

Nykredit Holding A/S is consolidated with Foreningen Nykredit. The financial statements of Nykredit Realkredit A/S and Foreningen Nykredit are available from:

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

Seven-quarter financial highlights

DKK million

Nykredit Holding Group	Q3/ 2016	Q2/ 2016	Q1/ 2016	Q4/ 2015	Q3/ 2015	Q2/ 2015	Q1/ 2015
Core income from							
Business operations	3,137	2,933	2,892	2,823	2,886	2,946	3,290
Senior and subordinated debt	(164)	(115)	(118)	(127)	(119)	(111)	(253)
Securities	12	11	11	10	8	7	14
Income from core business	2,985	2,829	2,785	2,706	2,775	2,842	3,051
Operating costs, depreciation and amortisation	1,200	1,213	1,167	1,403	1,186	1,198	1,224
Mortgage bank contribution to the Danish Resolution Fund ¹	35	35	34	15	46	-	-
Profit from core business before impairment losses	1,751	1,581	1,584	1,287	1,543	1,644	1,827
Impairment losses on loans and advances	260	176	(51)	227	244	120	329
Profit from core business	1,491	1,404	1,635	1,060	1,299	1,524	1,498
Value adjustment of interest rate swaps	39	(510)	(802)	198	(242)	1,515	(1,061)
Amortisation of goodwill and customer relationships	-	-	-	58	1,907	-	-
Investment portfolio income	757	324	32	111	(61)	211	612
Profit (loss) before tax	2,287	1,218	865	1,312	(911)	3,250	1,049
Tax	449	270	179	360	233	705	208
Profit (loss) for the period	1,843	948	686	952	(1,144)	2,544	841
SUMMARY BALANCE SHEET, END OF PERIOD	30.09.2016	30.06.2016	31.03.2016	31.12.2015	30.09.2015	30.06.2015	31.03.2015
Assets							
Cash balances and receivables from credit institutions and central banks	41,685	43,707	28,798	23,253	36,732	47,410	70,932
Mortgage loans at fair value	1,127,516	1,127,725	1,122,218	1,119,101	1,118,029	1,119,080	1,137,833
Bank loans, excluding reverse repurchase lending	53,115	49,554	48,972	46,747	47,506	49,441	49,404
Bonds and equities	108,574	106,387	116,892	110,294	102,787	109,404	104,795
Remaining assets	74,920	79,934	83,286	84,401	83,379	81,781	97,691
Total assets	1,405,810	1,407,306	1,400,166	1,383,796	1,388,433	1,407,116	1,460,655
Liabilities and equity							
Payables to credit institutions and central banks	19,362	28,131	44,015	30,226	35,117	39,322	38,860
Deposits and other payables	64,895	69,537	59,571	62,584	61,566	65,919	67,716
Bonds in issue at fair value	1,151,669	1,142,561	1,135,251	1,137,314	1,134,618	1,146,975	1,181,483
Subordinated debt	11,276	11,260	11,240	11,006	4,684	4,646	11,417
Remaining liabilities	89,732	88,790	83,931	77,184	87,849	84,509	97,953
Equity	68,876	67,027	66,157	65,482	64,599	65,745	63,227
Total liabilities and equity	1,405,810	1,407,306	1,400,166	1,383,796	1,388,433	1,407,116	1,460,655

This document is an English translation of the original Danish text. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.