

**To the Copenhagen Stock Exchange and
the press**

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**Quarterly Report
Nykredit Bank and the Nykredit Bank Group
1 January 2004 - 31 March 2004**

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From today the Quarterly Report of Nykredit Bank can be downloaded as a pdf file
from Nykredit's website www.nykredit.com.

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Quarterly Report - Q1/2004

In Q1/2004 the Nykredit Bank Group realised a profit before tax of DKK 151m against DKK 117m in the same period of 2003.

The advance is a result of a generally satisfactory development in all business areas.

Income from interest, fees and value adjustments totalled DKK 275m, up 20% on Q1/2003 when income totalled DKK 229m, while costs were on a level with expectations. Write-offs and provisions remained low, and the development relative to the preceding quarters of 2003 reflects the fluctuations customary in this area.

Profit before tax generated a per annum return on equity of 20.7% against 16.3% in the same period the year before. For the financial year of 2003 return on equity amounted to 14.7%. The income/cost ratio stood at 2.1 against 2.0 in Q1/2003.

Balance sheet

The Group's balance sheet stood at DKK 83.6bn against DKK 72.4bn at 31 December 2003 equal to an increase of DKK 11.2bn. At end-Q1/2003 the balance sheet stood at DKK 74.2bn.

The increase of DKK 11.2bn relative to end-2003 can primarily be ascribed to a rise in the business volume within short-term money market transactions including repo activities. Loan demand from corporate customers was subdued, and this led to largely unchanged corporate lending levels compared with end-2003. Retail banking activities met expectations of a moderate rise.

Debt to credit institutions and deposits increased by DKK 6.2bn and DKK 2.3bn, respectively. The rise is largely an effect of short money market and repo transactions.

Equity and capital adequacy

At end-Q1 capital and reserves amounted to DKK 2,968m compared with DKK 2,861m at end-2003. The increase equals retained profit after tax for the period.

The capital adequacy ratio of the Nykredit Bank Group was 10.4 at 31 March 2004.

Outlook for 2004

Results for Q1/2004 reflected high earnings from own trading and capital gains on credit bonds. However, market-dependent income is still forecast with prudence, and the Bank therefore maintains expectations of a profit before tax of around DKK 300m as indicated in the Annual Report for 2003.

Accounting policies

The accounting policies are unchanged compared with the Annual Report for 2003.

The Quarterly Report has not been audited.

The Nykredit Bank Group Development in capital and reserves

DKKm	Q1 2004	FY 2003	Q1 2003
Capital and reserves, beginning of January	2,861	2,806	2,806
Changed accounting policies	-	12	12
Other adjustments	-	-	1
Profit after tax for the period	106	293	82
Dividend distributed	-	(250)	-
Capital and reserves, end of period	2,968	2,861	2,901

The Nykredit Bank Group Capital and capital adequacy (excl net profit for the period)

DKKm end of period	Q1 2004	FY 2003	Q1 2003
Core capital	2,859	2,859	2,809
Capital base after deductions	3,659	3,659	3,609
Total weighted items	35,095	37,309	39,265
Capital adequacy ratio	10.4	9.8	9.1
Core capital ratio	8.1	7.6	7.1

DKK MILLION	Q1 2004	FY 2003	Q4 2003	Q3 2003	Q2 2003	Q1 2003
SUMMARY PROFIT AND LOSS ACCOUNT						
Net interest receivable	138	819	196	209	213	201
Fees and commissions receivable (net)	21	72	13	15	26	18
Net income from interest and fees	159	891	209	224	239	219
Value adjustments	116	4	22	(35)	7	10
Other operating income	11	94	24	5	61	4
Operating costs	(117)	(436)	(125)	(104)	(104)	(103)
Depreciation, amortisation and write-downs on tangible and intangible assets	(2)	(6)	(2)	(1)	(2)	(1)
Profit before provisions	167	547	128	89	201	129
Write-offs and provisions for bad and doubtful debts	(16)	(129)	(29)	(17)	(71)	(12)
Profit before tax	151	418	99	72	130	117
Tax	(45)	(125)	(28)	(23)	(39)	(35)
Net profit for the period	106	293	71	49	91	82
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash in hand and balances due from credit institutions	23,462	14,738	14,738	20,159	20,052	21,328
Loans and advances	23,432	22,276	22,276	24,036	23,168	21,820
Securities	30,549	29,536	29,536	27,326	27,421	24,997
Other assets	6,171	5,869	5,869	7,992	6,782	6,070
Total assets	83,614	72,419	72,419	79,513	77,423	74,215
Liabilities and equity						
Debt to credit institutions and central banks	47,309	41,149	41,149	42,297	44,843	46,125
Deposits	16,524	14,175	14,175	19,492	15,937	12,698
Issued bonds	325	325	325	-	-	-
Other liabilities	15,688	13,109	13,109	13,883	12,852	11,691
Subordinate loan capital	800	800	800	800	800	800
Capital and reserves (incl net profit for the period)	2,968	2,861	2,861	3,041	2,991	2,901
Total liabilities and equity	83,614	72,419	72,419	79,513	77,423	74,215
Off-balance sheet items						
Guarantees	6,919	6,751	6,751	6,831	7,887	7,176
Other commitments	2,697	3,050	3,050	3,874	3,927	3,904
Total off-balance sheet items	9,616	9,801	9,801	10,705	11,814	11,080
KEY RATIOS						
Capital adequacy ratio	10.4	9.8	9.8	10.2	9.1	9.1
Core capital ratio	8.1	7.6	7.6	7.9	7.1	7.1
Return on equity before tax (pa)	20.7%	14.7%	13.4%	9.5%	17.7%	16.3%
Return on equity after tax (pa)	14.5%	10.3%	9.6%	6.5%	12.4%	11.4%
Income/cost ratio	2.12	1.73	1.63	1.59	1.74	2.01
Interest rate exposure	2.6%	2.4%	2.4%	0.9%	2.5%	2.2%
Provisions ratio	1.0	1.0	1.0	0.9	0.8	0.7
Write-offs and provisions as a percentage for the period	0.1	0.4	0.1	0.1	0.2	0.0
Number of full-time staff (average)	334	322	330	323	318	322