

To NASDAQ OMX Copenhagen A/S
and the press

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NYKREDIT BANK A/S – a subsidiary of Nykredit Realkredit A/S consolidated in the Nykredit Group's Financial Statements

Q1 INTERIM REPORT – THE NYKREDIT BANK GROUP 1 JANUARY 2012 – 31 MARCH 2012

- Profit before tax came to DKK 152m, down DKK 63m on Q1/2011
- Income from business operations climbed 8% to DKK 839m, while value adjustment of derivatives and corporate bonds was a charge of DKK 170m compared with a credit of DKK 47m in Q1/2011
- Operating costs rose by DKK 24m to DKK 461m owing to the establishment of the branch in Stockholm and IT costs relating to a new banking platform
- Impairment losses on loans and advances were DKK 93m, equal to a continued low level of 0.1%
- Special payments to the Danish Guarantee Fund for Depositors and Investors came to DKK 8m in Q1/2012 compared with DKK 70m in Q1/2011
- The investment portfolio generated income of DKK 20m against a loss of DKK 111m in Q1/2011
- Costs excluding impairment losses as a percentage of core income from business operations totalled 55.9% against 65.3% in Q1/2011
- The balance sheet stood at DKK 247.2bn against DKK 232.4bn at end-2011
- Profit before tax generated a return on equity of 4.3% pa against 6.2% pa for Q1/2011
- The Bank has still no direct exposures to sovereign debt issued by the GIIISP countries.

LIQUIDITY

- Excess cover relative to statutory liquidity requirements was 209% against 176% at end-2011. The level is considered adequate considering the Bank's liquidity risk and requirements
- The Bank's deposit surplus was DKK 0.8bn.

CAPITAL

- The total capital ratio and the Tier 1 capital ratio both came to 21.2%. The core Tier 1 capital ratio was 20.8%
- The internal capital adequacy requirement (ICAAP) was 10.2%, which was unchanged from end-2011
- Equity stood at DKK 14.3bn against DKK 14.2bn at end-2011.

INFORMATION ABOUT THE NYKREDIT BANK GROUP

The Q1 Interim Reports 2012 of the Nykredit Bank Group and the Nykredit Group and further information about Nykredit are available at nykredit.com.

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FINANCIAL HIGHLIGHTS – THE NYKREDIT BANK GROUP

DKK million	Q1/ 2012	Q1/ 2011	FY 2011
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
- business operations	839	776	3,506
- value adjustment of derivatives and corporate bonds	(170)	47	(632)
- securities	25	36	175
Total	694	859	3,049
Operating costs and depreciation of equipment	461	437	1,814
Payment to the Guarantee Fund for Depositors and Investors	8	70	100
Core earnings before impairment losses	225	352	1,135
Impairment losses on loans, advances and guarantees	93	26	388
Core earnings after impairment losses	132	326	747
Investment portfolio income ¹	20	(111)	(154)
Profit before tax	152	215	593
Tax	41	54	160
Profit for the period	111	161	433
SUMMARY BALANCE SHEET, END OF PERIOD			
Assets			
Cash balance and receivables from central banks and credit institutions	43,008	28,515	50,244
Loans, advances and other receivables at fair value	32,830	13,451	22,007
Loans, advances and other receivables at amortised cost	56,050	60,517	55,901
Bonds at fair value and equities	72,179	68,298	61,063
Other asset items	43,161	27,802	43,153
Total assets	247,228	198,583	232,368
Liabilities and equity			
Payables to credit institutions and central banks	67,967	40,888	63,093
Deposits and other payables	56,828	53,648	57,551
Issued bonds at amortised cost	31,576	33,886	26,137
Other non-derivative financial liabilities at fair value	32,179	28,030	27,308
Other payables	43,917	27,184	43,594
Provisions	198	282	233
Subordinated debt	250	735	250
Equity	14,313	13,930	14,202
Total liabilities and equity	247,228	198,583	232,368
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	11,040	12,175	10,142
Other commitments	6,601	7,378	6,842
FINANCIAL RATIOS			
Profit for the period as % of average equity, pa	3.1	4.6	3.1
Profit before tax for the period as % of average equity, pa	4.3	6.2	4.2
Core earnings before impairment losses as % of average equity, pa	6.3	10.2	8.1
Core earnings after impairment losses as % of average equity, pa	3.7	9.4	5.3
Costs excl impairment losses as % of core income from business operations	55.9	65.3	54.6
Provisions for loan impairment, DKKm	4,315	6,050	4,294
Impairment losses for the period, %	0.1	0.0	0.4
Total capital ratio, %	21.2	16.4	19.3
Tier 1 capital ratio, %	21.2	15.9	19.3
Core Tier 1 capital ratio, %	20.8	16.1	19.0
Average number of staff, full-time equivalents	832	791	817

¹ Value adjustment of the portfolio of subordinated debt instruments in Danish banks (Kalvebod issues) has been included from 1 January 2011, and certain commission expenses have also been included from 1 January 2012. Comparative figures have been restated.

THE NYKREDIT BANK GROUP

NYKREDIT BANK GROUP RESULTS

The Group delivered a profit before tax of DKK 152m against DKK 215m in Q1/2011.

In Q1/2012 core income from business operations rose by DKK 63m, up 8% on Q1/2011, and provisions for loan impairment and guarantees remained low. At the same time Q1/2012 was only to a minor degree impacted by expenses relating to bankruptcies of Danish banks. Compared with Q1/2011, the development was further affected by value adjustments of derivatives that came to a charge of DKK 170m against a credit of DKK 47m in Q1/2011.

New organisation

Due to reorganisation within the Nykredit Group, the financial statements and the business area presentation have been changed. The presentation now comprises Retail, Wholesale and Group Items. For a detailed description, please see Business Areas.

Core earnings

Core income from business operations

Core income increased by DKK 63m to DKK 839m, of which Retail contributed DKK 47m, whereas Wholesale accounted for a minor reduction of DKK 10m compared with Q1/2011.

Group Items improved by DKK 26m, reflecting eg that Q1/2011 was affected by the bankruptcy of Amagerbanken.

The Group's loans and advances at amortised cost came to DKK 56.0bn, which was unchanged from DKK 55.9bn at end-2011. Deposits fell from DKK 57.6bn at end-2011 to DKK 56.8bn. Loan demand thus remained fairly subdued and competition in the deposits market fierce.

Value adjustment of derivatives and corporate bonds

A number of customers with variable-rate mortgages have hedged interest rate risk through swaps with a fixed interest rate of typically 4-5%.

The Bank's interest rate risk on such swaps is limited due to hedges with major international banks as counterparties. Interest rate falls in recent years have caused the Bank to provide collateral to its counterparties. The Bank's credit risk in relation to customers that do not provide corresponding collateral has increased. As a consequence, market value adjustment of derivatives came to a charge of DKK 190m compared with a credit of DKK 21m in Q1/2011.

Furthermore, value adjustment of corporate bonds was DKK 20m in Q1/2012 compared with DKK 26m in Q1/2011.

Core income from securities

Core income from securities dropped from DKK 36m in Q1/2011 to DKK 25m in Q1/2012. This development was a result of a larger portfolio and a change in the risk-free interest rate, which dropped from 1.05% in Q1/2011 to 0.7% in Q1/2012. The risk-free interest rate equals Danmarks Nationalbank's lending rate.

Operating expenses, depreciation and amortisation

Staff and administrative expenses rose by DKK 24m (5.5%) to DKK 457m, of which payroll costs accounted for DKK 6m (3.1%), while other administrative expenses went up by DKK 18m eg as a result of IT costs relating to the new banking platform.

The average staff number increased from 791 in Q1/2011 to 832 (5.2%), partly reflecting the establishment of a branch in Stockholm and a general staff increase throughout 2011. Compared with end-2011 when staff totalled 836, this reflected a minor reduction due to the measures implemented to reshape the organisation to the currently lower activity levels.

The Nykredit Bank Group

Results before tax for 1 January – 31 March by business area

DKK million	Retail		Wholesale		Group Items		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Core income from:								
customer activities, gross	299	266	599	595	(59)	(85)	839	776
remuneration for distribution	198	184	(198)	(184)	0	0	0	0
Core income from business operations	497	450	401	411	(59)	(85)	839	776
Value adjustment of derivatives and corporate bonds	(211)	15	41	32	-	-	(170)	47
Core income from securities	-	-	-	-	25	36	25	36
Total core income	286	465	442	443	(34)	(49)	694	859
Operating costs	214	199	185	185	62	53	461	437
Payment to the Guarantee Fund for Depositors and Investors	-	-	-	-	8	70	8	70
Core earnings before impairment losses	72	266	257	258	(104)	(172)	225	352
Impairment losses on loans and advances	92	78	1	(48)	0	(4)	93	26
Core earnings after impairment losses	(20)	188	256	306	(104)	(168)	132	326
Investment portfolio income	-	-	-	-	20	(111)	20	(111)
Profit (loss) before tax for the period	(20)	188	256	306	(84)	(279)	152	215
Core income from business operations/costs	1.6	1.6	2.2	3.0	(0.8)	(0.7)	1.5	1.5

Guarantee Fund for Depositors and Investors

The charge was DKK 8m against DKK 70m in Q1/2011. The charge in 2012 was a subsequent adjustment of expenses relating to distressed banks in 2011.

Impairment losses and provisions

Impairment losses for the period remained very low at 0.1% of loans, advances and guarantees, equal to a charge of DKK 93m.

In Q1/2011 the charge was DKK 26m.

The charge in Q1/2012 was mainly attributable to SMEs (small and medium-sized enterprises) in Retail, totalling DKK 74m. Considering the activity levels, impairment losses remained relatively subdued.

Compared with Q1/2011, the charge rose by about DKK 67m. The main reason was that terminated exposures relating to corporate customers of the former Forstædernes Bank contributed DKK 75m in Q1/2011 compared with DKK 5m in Q1/2012.

Investment portfolio income

Investment portfolio income was DKK 20m in Q1/2012 compared with a loss of DKK 111m in Q1/2011 when the item was significantly impacted by negative value adjustments of the Bank's portfolio of Kalvebod issues.

In Q1/2012 investment portfolio income included eg commission to Nykredit Holding for a special guarantee provided to strengthen the Bank's total capital ratio and Tier 1 capital ratio as well as positive value adjustment of the equity portfolio.

Investment portfolio income is the excess income in addition to risk-free interest obtained from the portfolios not allocated to the business areas. The return on financial instruments in the business areas is recognised in their core income.

Tax

Tax for the period has been estimated at DKK 41m, corresponding to 27.0% of profit before tax for the period.

OUTLOOK FOR 2012

For the remainder of 2012, the Bank expects to retain the level of core income from business operations and a cost level that is generally in line with Q1/2012.

Assuming that market conditions remain largely unchanged, the Bank expects to deliver a profit for the full year 2012 on a level with the profit for 2011.

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY**Balance sheet**

Compared with end-2011 the balance sheet grew by DKK 14.8bn (up 6.4%) to DKK 247.2bn.

Balances with credit institutions and cash balances reduced by DKK 7.2bn to DKK 43.0bn, while loans and advances at fair value went up by DKK 10.8bn to DKK 32.8bn following eg increased repo activities in the Stockholm branch.

Loans and advances at amortised cost were DKK 56.0bn, which was unchanged from end-2011 when the item was DKK 55.9bn. This level reflected continued fairly low loan demand within both Retail and Wholesale. Compared with end-2011, lending to Retail went down by

**The Nykredit Bank Group
Lending and deposits**

DKK million	31.03.12	31.12.11	31.03.11
Loans and advances			
Retail	28,394	29,130	29,825
Personal	15,173	15,476	15,339
Commercial	13,221	13,654	14,486
Wholesale	24,933	24,105	28,704
Loans and advances at fair value (reverse lending)	32,830	22,007	13,451
Group Items and other lending	2,723	2,666	1,988
Deposits			
Retail	34,121	35,013	34,194
Personal	18,599	18,758	18,024
Commercial	15,522	16,255	16,170
Wholesale	19,957	19,401	17,357
Deposits at fair value (repo)	17,995	15,864	23,418
Group Items and other deposits	2,750	3,137	2,097

**The Nykredit Bank Group
Equity**

DKK million	31.03.12	31.12.11	31.03.11
Equity, beginning of period	14,202	13,769	13,769
Profit after tax for the period	111	433	161
Equity, end of period	14,313	14,202	13,930

**The Nykredit Bank Group
Capital base and capital adequacy**

DKK million	31.03.12	31.12.11	31.03.11
Share capital	6,045	6,045	6,045
Retained earnings	8,268	8,157	7,885
Core Tier 1 capital	14,313	14,202	13,930
Primary and other statutory deductions from Tier 1 capital	206	193	119
Supplementary capital and hybrid capital	250	250	735
Other additions to and deductions from capital base	-	-	(40)
Capital base after statutory deductions	14,357	14,259	14,506
Weighted items	67,840	73,811	88,370
Total capital ratio, %	21.2	19.3	16.4
Tier 1 capital ratio, %	21.2	19.3	15.9
Core Tier 1 capital ratio, %	20.8	19.0	16.1
Internal capital adequacy requirement (ICAAP), %	10.2	10.2	10.2

about 0.7bn, while Wholesale showed an increase of DKK 0.8bn.

The portfolio of bonds expanded from DKK 60.6bn at end-2011 to DKK 71.8bn. The size and development of the portfolio reflected the Bank's repo activities and trading positions, including the Stockholm activities, and the development in and placing of the Bank's liquidity, of which a substantial part is placed in securities. The portfolio mainly contains high-rated government and covered bonds. The Bank has no exposures to sovereign debt issued by GIISP countries.

Other assets totalled DKK 42.9bn against DKK 43.0bn at end-2011. At 31 March 2012, DKK 36.3bn was attributable to positive market values of derivatives compared with DKK 37.5bn at end-2011. The positive market values related to the Bank's customer activities in derivatives and own positions for hedge accounting purposes (hedging of interest rate risk). These transactions were widely hedged and should be viewed in the context of "Other liabilities", which included negative market values in the amount of DKK 35.7bn.

"Other assets" also included interest and commission receivable.

Payables to credit institutions and central banks rose from DKK 63.1bn at end-2011 to DKK 68.0bn.

Deposits and other payables amounted to DKK 56.8bn, corresponding to a decline of DKK 0.7bn compared with DKK 57.6bn at end-2011. Compared with end-Q1/2011, deposits and other payables rose by DKK 3.2bn. Retail deposits decreased by DKK 0.9bn, while Wholesale improved by DKK 0.5bn.

Relative to lending at amortised cost, the Bank's deposit surplus was DKK 0.8bn.

Issued bonds were up from DKK 26.1bn at end-2011 to DKK 31.6bn at 31 March 2012. In Q1/2012 the Bank made issues under the ECP and EMTN programmes with satisfactory sales and interest rate levels.

Other non-derivative financial liabilities at fair value, which include deposits relating to repo transactions, came to DKK 32.2bn against DKK 27.3bn at end-2011.

Other liabilities totalled DKK 43.8bn against DKK 43.5bn at end-2011. The item mainly consisted of negative market value of financial instruments and interest and commission payable.

Equity

Equity stood at DKK 14.3bn at 31 March 2012. Compared with 31 December 2011, equity improved by DKK 111m, which equalled profit after tax for the period. Equity was identical in Nykredit Bank A/S and the Nykredit Bank Group, as the same recognition and measurement principles are applied.

Capital base and capital adequacy

The capital base stood at DKK 14.4bn at 31 March 2012 compared with DKK 14.3bn at end-2011.

At 31 March 2012 the capital requirement totalled DKK 5.4bn against DKK 5.9bn at end-2011.

The total capital ratio was 21.2% compared with 19.3% at end-2011. The internal capital adequacy requirement (ICAAP) was 10.2%, the same as at end-2011.

Nykredit Bank has a target of maintaining a Tier 1 capital ratio of at least 12%. At 31 March 2012, the Tier 1 capital ratio was 21.2% compared with 19.3% at end-2011. The core Tier 1 capital ratio was 20.8%.

To underpin the Bank's rating, Nykredit Holding established a loss guarantee at end-2011 for the part of the Bank's impairment losses and provisions that exceeds 2% of loans, advances and guarantees during a financial year subject to a maximum of DKK 2bn for the term of the guarantee. The guarantee resulted in a reduction in the Bank's credit risk exposure of DKK 1.8bn.

Weighted assets declined by DKK 6.0bn compared with end-2011. The development comprised a drop of DKK 10.0bn in items involving credit risk, a rise of DKK 0.8bn in items involving operational risk and a rise of DKK 3.2bn in items involving market risk.

ICAAP buffer

Nykredit Bank conducts a number of stress tests to determine its internal capital adequacy requirement. In light of the risk of cyclical fluctuations in impairment losses on unsecured bank loans and counterparty risk as well as in credit quality in general, the Bank has decided to set a minimum internal capital adequacy requirement of 10% of risk-weighted assets even if the model-based calculations indicate a lower ratio.

Ratings

From 13 April 2012 Nykredit Bank is solely rated by Standard & Poor's. Standard & Poor's did not change Nykredit Bank's ratings in Q1/2012.

Nykredit requested Moody's Investors Service to cease rating the Nykredit Group as from 13 April 2012. The decision was made for business reasons. Reference is made to the press release previously issued.

**Nykredit Bank A/S
Ratings**

	Standard & Poor's
Short-term rating	A-1
Long-term rating	A+

BUSINESS AREAS

BUSINESS AREAS

Due to organisational changes within Nykredit, the presentation of the Bank's business areas has been changed.

The Nykredit Bank Group's business areas are now grouped into Retail, Wholesale and Group Items.

- Retail, which includes personal customers as well as SMEs
- Wholesale, which serves the business units Corporate & Institutional Banking (CIB), Nykredit Markets and Nykredit Asset Management
- Group Items, which includes the Bank's Treasury area and other income and costs not allocated to the business areas, including core income from securities and investment portfolio income.

Gross income from customer trades is recognised in the product supplier units (Nykredit Markets and Nykredit Asset Management). Income is subsequently allocated 100% to the customer areas which have handled the respective sales and distribution tasks. Correspondingly, the costs of the product supplier units are allocated to the customer areas.

The change does not affect overall results or equity. The previous presentation form and any related comparative figures have been restated to reflect the reorganisation.

Retail

The business area comprises banking operations with personal customers and SMEs.

Retail posted a loss before tax of DKK 20m compared with a profit of DKK 188m in Q1/2011.

The main reason for this development was value adjustment of derivatives that came to a charge of DKK 211m in Q1/2012 against a credit of DKK 15m in Q1/2011.

Conversely, core income from business operations improved by DKK 47m to a total of DKK 497m.

Wholesale

DKK million	Q1/ 2012	Q1/ 2011
Customer activities, gross		
Nykredit Markets	278	240
Nykredit Asset Management	206	196
CIB	115	159
Total	599	595
Remuneration for distribution		
Nykredit Markets	(103)	(86)
Nykredit Asset Management	(116)	(112)
CIB	21	14
Total	(198)	(184)
Core income		
Nykredit Markets	175	154
Nykredit Asset Management	90	84
CIB	136	173
Total	401	411

Operating costs rose by DKK 15m to DKK 214m, which was in line with expectations.

Impairment losses on loans and advances were DKK 92m in Q1/2012 against DKK 78m in Q1/2011. The charge in 2012 was chiefly attributable to individual impairment provisions for commercial lending, whereas collective impairment provisions came to a total charge of DKK 9m.

Impairment losses were 0.2%.

Core income from business operations relative to costs was 1.6, unchanged from Q1/2011.

The subsidiary Nykredit Leasing contributed a profit of just below DKK 4.0m to the business area's results against DKK 0.2m in Q1/2011.

Lending and deposits

The business area's lending activities dropped by DKK 0.8bn to DKK 28.4bn, while deposits reduced DKK 0.9bn from DKK 35.0bn to DKK 34.1bn.

The level in Q1/2012 was still characterised by a property market generating only low banking activity and generally modest demand for finance.

Wholesale

Wholesale comprises banking activities with the Bank's largest and most complex CIBs, including non-profit housing customers, the Bank's Markets and Assets Management activities and Other Activities, including a special loan portfolio of terminated exposures.

The business area posted a profit of DKK 256m in Q1/2012. This represented a DKK 50m decline on Q1/2011 when profit was DKK 306m.

Core income from business operations amounted to DKK 401m in Q1/2012, broadly unchanged from Q1/2011. Generally, all business areas showed modest progress relative to Q1/2011, but Wholesale was affected by a loss of about DKK 40m relating to the equity portfolio of the former business area Other Activities.

The area's gross income from customer activities totalled DKK 599m excl value adjustment of derivatives etc.

Nykredit Markets posted gross income of DKK 278m, up DKK 38m on Q1/2011. Nykredit Asset Management also recorded DKK 10m growth in gross income from customer activities, which totalled DKK 206m.

Nykredit Markets saw a higher level of activity, and abating market turbulence together with positive financial market trends contributed to increasing customer numbers.

Likewise, Nykredit Asset Management recorded a positive earnings trend. Assets under management amounted to DKK 103bn, corre-

sponding to a rise of DKK 2bn relative to end-2011. Assets under administration came to DKK 407bn against DKK 335bn at end-2011.

The subsidiary Nykredit Portefølje Administration earned a profit before tax of about DKK 22m against DKK 11m in Q1/2011.

Operating costs remained largely unchanged at DKK 185m compared with Q1/2011.

Impairment losses on loans and advances were a charge of DKK 1m against a credit of DKK 48m in Q1/2011. The charge in 2012 was due to a reversal of DKK 5m relating to the portfolio of terminated customer exposures and impairment losses in other areas of DKK 6m.

Impairment losses amounted to 0.3% against 0.7% for the full year 2011.

Core income from business operations relative to costs was 2.2 against 3.0 in Q1/2011.

Lending and deposits

Lending increased from DKK 24.1bn at end-2011 to DKK 24.9bn at 31 March 2012, of which the loan portfolio of terminated exposures accounted for an expected decline of DKK 0.4bn.

Deposits came to DKK 20.0bn against DKK 19.4bn at end-2011.

Group Items

Group Items includes the results of the Bank's Treasury area, core earnings and investment portfolio income from securities as well as other income and costs not allocated to the business areas. Significant non-allocated costs are IT costs and payment to the Guarantee Fund for Depositors and Investors.

The business area recorded a loss of DKK 84m against a loss of DKK 279m in Q1/2011.

Treasury activities generated a loss of about DKK 70m in Q1/2012.

Core earnings and investment portfolio income from securities were a profit of DKK 45m compared with a loss of DKK 75m in Q1/2011 when income was eg affected by the Danish banking market turbulence, resulting in capital losses on subordinated debt instruments etc in Danish banks.

Non-allocated costs were DKK 56m against just over DKK 100m in Q1/2011. Q1/2011 was impacted by payment of DKK 70m relating to the Guarantee Fund for Depositors and Investors, while the Q1/2012 payment only amounted to DKK 8m. IT costs were DKK 48m in Q1/2012 compared with DKK 37m in Q1/2011.

IMPAIRMENT LOSSES, LOANS AND ADVANCES

Earnings impact for the period

Impairment losses on loans and advances were DKK 93m compared with DKK 26m in Q1/2011. This development widely reflected that Q1/2011 was affected by significant reversals (a credit of DKK 75m) relating to the portfolio of terminated exposures.

Of the impairment charge in Q1/2012, DKK 74m was attributable to SMEs. The charge by business area was generally low, with fairly small fluctuations compared with the preceding quarters taken as a whole. Wholesale recorded a charge of just DKK 1m, continuing the positive trend from previous quarters.

Of the total charge, DKK 81m and DKK 64m were attributable to individual and collective impairment provisions, respectively, whereas reversal of provisions came to a credit of DKK 45m. Income received from claims previously impaired, especially Wholesale exposures, was DKK 7m.

The charge amounted to 0.1% of total loans, advances and guarantees against 0% for Q1/2011 and 0.4% for the full year 2011. The charge for SMEs was 0.4%, whereas the ratio was close to 0 for the other business areas.

Provisions at 31 March 2012

Compared with impairment provisions of DKK 4,294m at 31 December 2011, the quarter saw a minor rise of DKK 20m to 4,314m at 31 March 2012.

This increase was the result of a decline of DKK 44m in individual impairment provisions and an increase of DKK 64m in collective impairment provisions.

In all business areas, levels were largely unchanged from end-2011 with a slightly declining trend in individual impairment provisions and a slightly rising trend in collective impairment provisions.

Provisions – the Nykredit Bank Group

DKK million	Retail		Wholesale		Group Items		Total	
	Q1/ 2012	Q1/ 2011	Q1/ 2012	Q1/ 2011	Q1/ 2012	Q1/ 2011	Q1/ 2012	Q1/ 2011
Impairment provisions, beginning of period	2,114	2,381	2,089	3,698	91	64	4,294	6,143
Impairment provisions and reversals for the period	(21)	(38)	39	(48)	2	(7)	20	(93)
Impairment provisions, end of period	2,093	2,343	2,128	3,650	93	57	4,314	6,050
Of which individual	1,906	2,122	1,946	3,468	91	57	3,943	5,647
Of which collective	187	221	182	182	2	0	372	403
Provisions for guarantees								
Provisions, beginning of period	62	332	52	265	0	147	114	744
Provisions, end of period	59	62	10	47	0	0	69	109
Total provisions	2,152	2,405	2,138	3,697	93	57	4,384	6,159
Earnings impact								
New impairment provisions and losses for the period, net	95	64	48	(56)	2	(5)	145	3
Received on loans and advances previously impaired	0	1	5	0	2	0	7	1
Total	95	63	43	(56)	0	(5)	138	2
Provisions for guarantees	(3)	15	(42)	8	0	1	(45)	24
Total earnings impact	92	78	1	(48)	0	(4)	93	26

Loans, advances and guarantees by sector at 31 March 2012 and 31 December 2011

DKK million	Loans, advances and guarantees		Provisions	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
Public sector	516	542	0	0
Agriculture, hunting, forestry and fishing	2,121	2,448	119	120
Manufacturing, mining and quarrying	6,595	5,652	117	105
Energy supply	1,268	1,306	28	33
Construction	1,692	1,687	261	254
Trading	2,452	2,472	262	287
Transport, accommodation and food service activities	1,889	2,308	92	90
Information and communication	1,282	964	83	65
Financial and insurance activities	39,435	28,656	929	935
Property	15,331	14,613	1,335	1,312
Other commercial	7,944	7,767	517	530
Total commercial	80,009	67,873	3,743	3,731
Personal	19,395	19,636	641	677
Total	99,920	88,051	4,384	4,408

The distribution is based on public sector statistics and is therefore not directly comparable with the Bank's business areas.

Provisions for guarantees fell by DKK 45m to DKK 69m. The decline was primarily attributable to reversals relating to terminated exposures.

At 31 March 2012 terminated exposures totalled DKK 2.0bn against DKK 2.3bn at end-2011. The exposures are consequently still being terminated at a measured rate.

Relative to total loans, advances and guarantees, provisions were 4.2% against 4.8% at end-2011.

Loans, advances and guarantees by sector

At 31 March 2012 loans, advances and guarantees were DKK 99.9bn against DKK 88.1bn at end-2011. The upturn of DKK 11.8bn mainly stemmed from higher reverse lending, which rose by DKK 10.8bn to DKK 32.8bn, and derived in part from activities in the Stockholm branch.

Apart from this, the individual sectors saw no significant fluctuations compared with end-2011.

The same applied to the related impairment provisions.

The financial and insurance sector still accounted for the largest exposure of DKK 39.4bn against DKK 28.7bn at end-2011. The increase mainly resulted from higher reverse lending as a considerable part of lending to this sector is generally granted on the basis of loans with bonds serving as collateral.

Of total lending and guarantees, the financial and insurance sector accounted for 39% (end-2011: 32%), the property sector almost 16% (end-2011: 17%) and personal customers 20% (end-2011: 20%).

Pursuant to the supervisory diamond model of the Danish Financial Supervisory Authority (FSA), the Bank's lending growth was 14.1%. The limit values of the supervisory diamond specify when a bank assumes elevated risk from a statistical point of view. The lending limit value shows that growth of 20% or more may imply higher risk. The development in the Bank's lending thus remains below the limit. Exclusive of reverse lending, the growth rate was 0.2%.

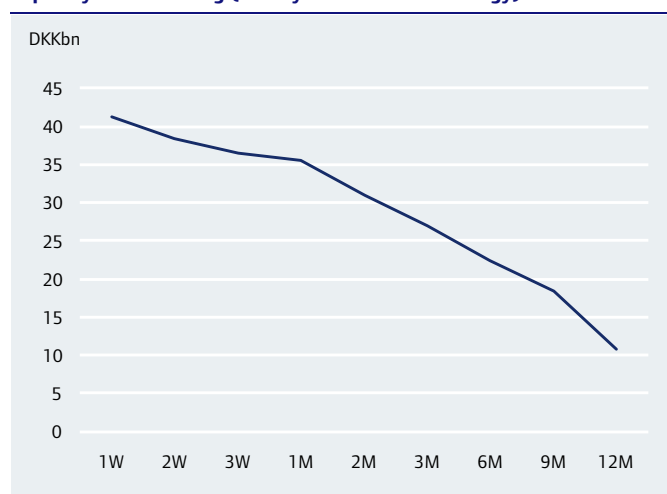
Lending to the property and construction sectors saw a total rise from DKK 16.3bn at end-2011 to DKK 17.0bn. Of total lending at 31 March 2012, DKK 13.5bn derived from the rental property sector (end-2011: DKK 13.0bn). At 31 March 2012, impairment provisions for lending to the property sector totalled DKK 1.6bn, equal to 8.6% of total lending, compared with 8.8% at end-2011.

Pursuant to the supervisory diamond model, the Bank's property sector exposure was 15.5%. The Danish FSA's indicative limit is 25%.

LIQUIDITY AND FINANCIAL RISK

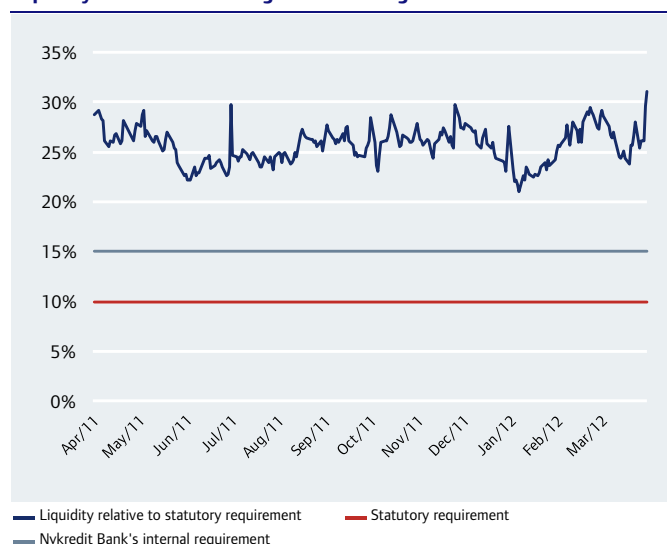
Nykredit Bank A/S

Liquidity stress testing (Moody's Global Methodology)



Nykredit Bank A/S

Liquidity as % of debt and guarantee obligations



Note: The graph shows Nykredit Bank's liquidity as % of total debt and guarantee obligations after statutory deductions, cf s 152 of the Danish Financial Business Act.

Liquidity

Liquidity risk reflects the risk of loss as a result of insufficient liquidity to cover current payment obligations.

The Bank has adapted its liquidity risk management due to its business development and the Danish Executive Order on the governance and management of banks. Under the new legislation, a liquidity profile must be set out in the Bank's liquidity policy, and the Board of Directors must issue liquidity instructions requiring liquidity stress testing and a liquidity buffer.

Nykredit Bank monitors its balance sheet and liquidity on a day-to-day basis as part of its liquidity risk management. The management of the Bank's structural liquidity risk is based on an internal model relating to the liquidity of assets and liabilities.

Securities not serving as collateral in the trading book constitute a short-term liquidity buffer that may be applied in the case of unforeseen drains on the Bank's liquidity. These securities consist mainly of liquid Danish and European government bonds and covered bonds eligible as collateral with Danmarks Nationalbank or other European central banks.

Stress testing is performed on a continuous basis using bank-specific, sector-specific and combination scenarios as prescribed by the Danish Executive Order on the governance and management of banks.

According to the Danish Financial Business Act, a bank's liquidity must be at least 10% of total reduced debt and guarantee obligations. Nykredit Bank operates with an internal excess liquidity cover of at least 50% relative to the statutory requirement.

At 31 March 2012 the excess cover was 209% against 176% at end-2011, corresponding to a liquidity buffer of DKK 52.4bn compared with DKK 41.2bn at end-2011. In Q1/2012 the liquidity buffer averaged DKK 35.4bn compared with an average of DKK 31.3bn for 2011.

Stress tests according to the principles of Moody's Investors Service's Bank Financial Strength Ratings: Global Methodology" show that the Bank has positive liquidity to withstand a 12-month lack of access to funding markets.

The Bank's long-term funding activities progress according to plan, with EMTN issues totalling DKK 17.8bn at 31 March 2012.

Further, the Bank continued its current refinancing of short-term ECP issues, which totalled DKK 14.7bn at 31 March 2012.

The aggregate amount issued under the ECP and EMTN programmes was DKK 32.5bn at 31 March 2012 against DKK 26.4bn at end-2011.

Danmarks Nationalbank introduced new liquidity measures for banks in 2011 by expanding the collateral basis to include lending of good quality. The Bank is positive towards this initiative, but has no plans to make use of the facility given the Bank's liquidity position.

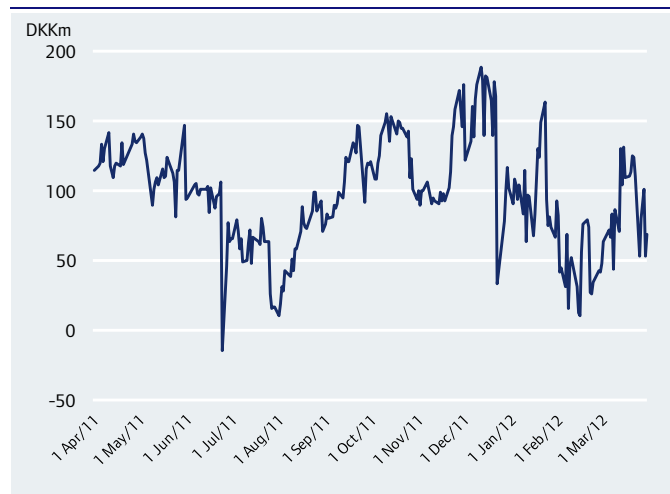
The Nykredit Bank Group

Risk key figures

DKK million	Q1/2012	Q1/2011	2011
Value-at-Risk			
End of period	28	20	29
Average	30	23	22
Interest rate risk			
End of period	79	137	103
Foreign exchange position			
EUR	11	114	73
Excl EUR and DKK	14	12	17

Nykredit Bank A/S

Net interest rate exposure



Nykredit Bank A/S

Value-at-Risk (incl equities)



— Value-at-Risk (99%)

Financial risk

Value-at-Risk came to DKK 28m at 31 March 2012 against DKK 20m at 31 March 2011. Value-at-Risk averaged DKK 30m in Q1/2012 against DKK 23m in Q1/2011.

The Bank's Value-at-Risk including average Value-at-Risk was affected by the establishment of the Stockholm office for customer trading and market-making in Swedish securities. As a natural consequence of these activities, the Bank's total Value-at-Risk has increased. Owing to more customer trades, the Bank's OAS risk has increased, resulting in higher Value-at-Risk.

The interest rate exposure amounted to DKK 79m at 31 March 2012 against DKK 137m at 31 March 2011. The presence in Stockholm reduced the Bank's total net interest rate exposure throughout most of Q1, as the portfolio of mainly bonds and interest rate derivatives thus hedged the holdings in the other areas of the Bank.

The Bank's foreign exchange position in EUR was DKK 11m at 31 March 2012 against a negative amount of DKK 114m at 31 March 2011. Its foreign exchange position in currencies other than EUR and DKK totalled DKK 14m at 31 March 2012 against DKK 12m at 31 March 2011.

EVENTS OCCURRED AFTER 31 MARCH 2012

Sparekassen Østjylland and Spar Salling

Nykredit Bank had no loss-making exposures to the two above-mentioned banks.

UNCERTAINTY AS TO RECOGNITION AND MEASUREMENT

The 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 listed financial instruments which in the light of the financial turmoil are priced in markets characterised by low turnover and provisions, the determination of which involves a number of estimates.

Uncertainty as to recognition and measurement is described in detail in the Bank's accounting policies (note 1 of the Annual Report for 2011), to which reference is made.

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 – 31 March 2012 of Nykredit Bank A/S and the Nykredit Bank Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The Interim Financial Statements of the Parent Company, Nykredit Bank A/S, have

been prepared in accordance with the Danish Financial Business Act.

Further, the Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

We are of the opinion that the Interim Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 31 March 2012 and of the results of the Group's and the Parent Company's operations as well

as the Group's cash flows for the financial period 1 January – 31 March 2012.

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.

Copenhagen, 10 May 2012

Executive Board

Bjørn Mortensen

Georg Andersen

Lars Bo Bertram

Board of Directors

Karsten Knudsen, Chairman

Søren Holm, Deputy Chairman

Henrik K. Asmussen, staff-elected

Olav Brusen Barsøe, staff-elected

Kim Duus

Allan Kristiansen, staff-elected

Per Ladegaard

Bente Overgaard

Income statements for 1 January – 31 March

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
Q1/2011	Q1/2012		note	Q1/2012	Q1/2011
1,017	1,063	Interest income	3	1,081	1,034
406	482	Interest expenses	4	478	405
611	581	NET INTEREST INCOME		603	629
0	0	Dividend on equities		0	0
262	290	Fee and commission income		334	312
108	175	Fee and commission expenses		178	126
765	696	NET INTEREST AND FEE INCOME		759	815
(73)	(52)	Value adjustments	5	(52)	(74)
2	1	Other operating income		7	7
401	423	Staff and administrative expenses	6	457	433
1	1	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets		2	1
71	8	Other operating expenses		10	73
18	88	Impairment losses on loans, advances and receivables	7	93	26
9	20	Profit from investments in associates and group enterprises	8	-	-
212	145	PROFIT BEFORE TAX		152	215
51	34	Tax	9	41	54
161	111	PROFIT FOR THE PERIOD		111	161
STATEMENTS OF COMPREHENSIVE INCOME for 1 January - 31 March					
161	111	PROFIT FOR THE PERIOD		111	161
-	-	Other additions and disposals		-	-
-	-	OTHER COMPREHENSIVE INCOME		-	-
161	111	COMPREHENSIVE INCOME FOR THE PERIOD		111	161

Balance sheets at 31 March

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.12.2011	31.03.2012		note	31.03.2012	31.12.2011
ASSETS					
2,544	659	Cash balance and demand deposits with central banks		659	2,544
47,700	42,348	Receivables from credit institutions and central banks	10	42,349	47,700
22,007	32,830	Loans, advances and other receivables at fair value	11	32,830	22,007
55,606	55,760	Loans, advances and other receivables at amortised cost	12	56,050	55,901
60,501	71,619	Bonds at fair value	13	71,787	60,648
414	391	Equities	14	392	415
0	0	Investments in associates		-	-
354	374	Investments in group enterprises		-	-
27	27	Intangible assets		27	27
18	18	Other property, plant and equipment		19	19
115	114	Deferred tax assets		60	61
55	64	Assets in temporary possession	15	64	55
42,963	42,865	Other assets	16	42,904	42,972
12	83	Prepayments		87	19
232,316	247,152	TOTAL ASSETS		247,228	232,368

Balance sheets at 31 March

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.12.2011	31.03.2012		note	31.03.2012	31.12.2011
LIABILITIES AND EQUITY					
63,093	67,966	Payables to credit institutions and central banks	17	67,967	63,093
57,660	56,895	Deposits and other payables	18	56,828	57,551
26,137	31,576	Issued bonds at amortised cost	19	31,576	26,137
27,308	32,179	Other non-derivative financial liabilities at fair value	20	32,179	27,308
77	109	Current tax liabilities		109	70
22	14	Liabilities temporarily assumed		14	22
43,333	43,651	Other liabilities	21	43,790	43,497
1	1	Deferred income		4	5
217,631	232,391	TOTAL PAYABLES		232,467	217,683
Provisions					
114	69	Provisions for losses under guarantees	22	69	114
119	129	Other provisions	22	129	119
233	198	TOTAL PROVISIONS		198	233
250	250	Subordinated debt	23	250	250
Equity					
6,045	6,045	Share capital		6,045	6,045
-	-	Revaluation reserves		-	-
Other reserves					
70	70	Statutory reserves		-	-
8,087	8,198	Retained earnings		8,268	8,157
14,202	14,313	TOTAL EQUITY		14,313	14,202
232,316	247,152	TOTAL LIABILITIES AND EQUITY		247,228	232,368
Off-balance sheet items					
10,142	11,040	Contingent liabilities	24	11,040	10,142
6,672	6,467	Other commitments	25	6,601	6,842
		Accounting policies	1		
		Business areas	2		
		Related party transactions and balances	26		
		Loans, advances and guarantees	27		
		Foreign exchange and interest rate exposures	28		
		Hedging interest rate risk	29		
		Group structure	30		
		The Nykredit Bank Group – five quarters	31		
		The Nykredit Bank Group – financial highlights	32		

Statement of changes in equity

DKK million

Nykredit Bank A/S

	Share capital	Statutory reserves	Revaluation reserves	Retained earnings	Total
EQUITY, 31 MARCH 2012					
End of previous financial year	6,045	70		8,087	14,202
TOTAL	6,045	70	-	8,087	14,202
Comprehensive income					
Profit for the period				111	111
Total comprehensive income	-	-	-	111	111
Total changes in equity	-	-	-	111	111
Equity, 31 March 2012	6,045	70	-	8,198	14,313
EQUITY, 31 MARCH 2011					
End of previous financial year	6,045	34		7,690	13,769
TOTAL	6,045	34	-	7,690	13,769
Comprehensive income					
Profit for the period				161	161
Total comprehensive income	-	-	-	161	161
Total changes in equity	-	-	-	161	161
Equity, 31 March 2011	6,045	34	-	7,851	13,930

Statement of changes in equity

DKK million

The Nykredit Bank Group

	Share capital	Statutory reserves and revaluation reserves	Retained earnings	Total
EQUITY, 31 MARCH 2012				
End of previous financial year	6,045	-	8,157	14,202
TOTAL	6,045	-	8,157	14,202
Comprehensive income				
Profit for the period			111	111
Total comprehensive income	-	-	111	111
Total changes in equity	-	-	111	111
Equity, 31 March 2012	6,045	-	8,268	14,313
EQUITY, 31 MARCH 2011				
End of previous financial year	6,045	-	7,724	13,769
TOTAL	6,045	-	7,724	13,769
Comprehensive income				
Profit for the period			161	161
Total comprehensive income	-	-	161	161
Total changes in equity	-	-	161	161
Equity, 31 March 2011	6,045	-	7,885	13,930

The share capital breaks down into 18 shares in multiples of DKK 1m. The share capital is wholly owned by Nykredit Realkredit A/S, Copenhagen, Denmark. Nykredit Bank is included in the consolidated financial statements of this company and the consolidated financial statements of Foreningen Nykredit, Kalvebod Brygge 1-3, Copenhagen, Denmark, which owns 89.51% of Nykredit Realkredit A/S. The financial statements [in Danish] of Foreningen Nykredit may be obtained from the company.

Capital adequacy and Tier 1 capital

DKK million

	31.03.2012	31.12.2011	31.03.2011
Nykredit Bank A/S			
Capital adequacy and Tier 1 capital			
Share capital	6,045	6,045	6,045
Reserves	70	70	34
Retained earnings	8,198	8,087	7,851
Total core Tier 1 capital	14,313	14,202	13,930
Hybrid capital	250	250	239
Primary and other statutory deductions from Tier 1 capital	269	255	159
Tier 1 capital after statutory deductions	14,294	14,197	14,010
Supplementary capital, subordinate loan capital	-	-	496
Difference between expected losses and impairments for accounting purposes etc (supplementary capital charge)	-	-	40
Primary and other statutory deductions	-	-	85
Capital base after statutory deductions	14,294	14,197	14,461
Weighted items involving credit, counterparty and delivery risk	48,861	58,558	75,752
Weighted items involving market risk	13,584	10,337	7,856
Weighted items involving operational risk	5,927	5,261	5,263
Total weighted items	68,372	74,156	88,871
Total capital ratio, %	20.9	19.1	16.3
Tier 1 capital ratio, %	20.9	19.1	15.8
The Nykredit Bank Group			
Capital adequacy and Tier 1 capital			
Share capital	6,045	6,045	6,045
Retained earnings	8,268	8,157	7,885
Total core Tier 1 capital	14,313	14,202	13,930
Hybrid capital	250	250	239
Primary and other statutory deductions from Tier 1 capital	206	193	119
Tier 1 capital after statutory deductions	14,357	14,259	14,050
Supplementary capital, subordinate loan capital	-	-	496
Difference between expected losses and impairments for accounting purposes etc (supplementary capital charge)	-	-	40
Primary and other statutory deductions	-	-	80
Capital base after statutory deductions	14,357	14,259	14,506
Weighted items involving credit, counterparty and delivery risk	45,966	57,940	74,978
Weighted items involving market risk	13,584	10,338	7,858
Weighted items involving operational risk	6,290	5,533	5,534
Total weighted items	65,840	73,811	88,370
Total capital ratio, %	21.2	19.3	16.4
Tier 1 capital ratio, %	21.2	19.3	15.9

Cash flow statement 1 January – 31 March

DKK million

	The Nykredit Bank Group	
	Q1/2012	Q1/2011
Profit after tax for the period	111	161
Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions		
Depreciation and impairment losses for property, plant and equipment	2	1
Impairment losses on loans, advances and receivables	100	27
Tax calculated on profit for the period	41	54
Total	143	82
Profit for the period adjusted for non-cash operating items	254	243
Change in working capital		
Loans, advances and other receivables	(11,166)	(2,166)
Deposits and other payables	(3,566)	(1,862)
Payables to credit institutions and central banks	8,301	(6,695)
Bonds at fair value	(11,039)	6,750
Equities	23	(45)
Other working capital	5,155	2,370
Total	(12,292)	(1,648)
Corporation tax paid, net	0	(12)
Cash flows from operating activities	(12,038)	(1,417)
Cash flows from investing activities		
Property, plant and equipment	(2)	(1)
Total	(2)	(1)
Cash flows from financing activities		
Subordinated debt	0	(78)
Issued bonds	5,471	1,544
Total	5,471	1,466
Total cash flows	(6,569)	48
Cash and cash equivalents, beginning of period	50,244	29,480
Foreign currency translation adjustment of cash	(667)	(1,013)
Cash and cash equivalents, end of period	43,008	28,515
Cash and cash equivalents, end of period		
Specification of cash and cash equivalents, end of period:		
Cash balance and demand deposits with central banks	659	95
Receivables from credit institutions and central banks	42,349	28,420
Cash and cash equivalents, end of period	43,008	28,515

Core earnings and investment portfolio income

DKK million

	Q1/2012			The Nykredit Bank Group Q1/2011		
	Core income	Investment portfolio income	Total	Core income	Investment portfolio income	Total
1 January – 31 March						
Net interest income	568	35	603	574	55	629
Dividend on equities	0		0	0	-	0
Fee and commission income, net	177	(21)	156	187	(1)	186
Net interest and fee income	745	14	759	761	54	815
Value adjustments	(58)	6	(52)	91	(165)	(74)
Other operating income	7	-	7	7	-	7
Staff and administrative expenses	457	-	457	433	-	433
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	2	-	2	1	-	1
Other operating expenses	10	-	10	73	-	73
Impairment losses on loans and advances	93	-	93	26	-	26
Profit (loss) before tax	132	20	152	326	(111)	215

Notes

1. ACCOUNTING POLICIES

The Q1 Interim 2012 Report of the Group is prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS and a less detailed presentation relative to the presentation of annual reports.

With respect to recognition and measurement, the Q1 Interim Report of the Parent Company has been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. issued by the Danish Financial Supervisory Authority.

The accounting policies of both the Group and Nykredit Bank A/S are unchanged compared with the Annual Report for 2011. A description of the Bank's and the Bank Group's accounting policies applied in the Annual Report for 2011 is available at nykredit.com.

Compared with the Q1 Interim Report 2011 and the Annual Report for 2011, the presentation of the Bank's business areas has been changed in Q1/2012. The change is a consequence of the reorganisation of the Nykredit Group, including changes in intercompany settlements within the Bank.

Significant changes compared with previous business area reporting is that activities involving personal and commercial customers are now included in the business area Retail. The Group's largest and complex corporate customers have been separated from the former business area Corporate Banking and are now included under Wholesale along with Nykredit Markets and Nykredit Asset Management. The portfolio of terminated corporate exposures relating to corporate customers of Forstædernes Bank are also included under Wholesale. Furthermore, the Bank's Treasury activities have been separated from the former Markets & Asset Management and are now included under Group Items.

Restatement of comparative figures is partly based on a number of estimates. The modification does not affect the results, balance sheet or equity of Nykredit Bank or the Nykredit Bank Group.

Relative to the information in the accounting policies in the Annual Report for 2011 (note 1), no new financial reporting standards or interpretations have been issued or approved which may impact Nykredit Bank's and the Bank Group's Q1 Interim Report. The IASB is currently working on a project which, over time, will replace the IAS 39 rules. The revised standard – IFRS 9 – is divided into three main phases comprising classification and measurement of financial assets and liabilities, impairments and hedge accounting.

The EU will not adopt the IFRS 9 before the results of all the phases are available. According to plan, the new standard will be implemented in January 2015. The impact of the implementation of IFRS 9 on the

results of the Bank and the Bank Group has not yet been analysed, as the standard is not currently available in a form that allows for an overall assessment of the effect.

In 2012 the Danish Financial Supervisory Authority has issued a new executive order on the presentation of financial statements effective as from the H1 Interim Report 2012. The changes primarily include various specifications in connection with the determination of the provisioning need, including ascertainment of OEI (objective evidence of impairment), valuation of security and provisioning calculations etc. Implementation of the amended executive order is not expected to have a significant impact on the Bank's results, balance sheet or equity.

All figures in the Q1 Interim Report 2012 are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off to DKK million, the sum of individual figures and the stated totals may differ slightly.

The Q1 Interim Report 2012 has not been audited or reviewed.

Notes

DKK million

The Nykredit Bank Group

2. BUSINESS AREAS

Q1/2012	Retail	Wholesale	Group Items ¹	Total
Core income from				
customer activities, gross	299	599	(59)	838
remuneration for distribution	198	(198)	0	0
Total	497	401	(59)	839
Value adjustment of derivatives and corporate bonds	(211)	41	0	(170)
Core income from securities	0		25	25
Total core income *	286	442	(34)	694
Operating costs	214	185	62	461
Payment to the Guarantee Fund for Depositors and Investors ⁴			8	8
Core earnings before impairment losses	72	257	(104)	225
Impairment losses on loans and advances	92	1	0	93
Core earnings after impairment losses	(20)	256	(104)	132
Investment portfolio income ²			20	20
Profit (loss) before tax for the period	(20)	256	(84)	152
* Of which transactions between business areas	167	(229)	62	0
Core income from business operations:costs	1.6	2.2	(0.8)	1.5
Average allocated business capital ³	3,323	3,641	2,421	9,385
Core earnings after impairment losses as % of allocated capital (pa)	(2.4)	28.1	-	5.6
Q1/2011	Retail	Wholesale	Group Items ¹	Total
Core income from				
customer activities, gross	266	595	(85)	776
remuneration for distribution	184	(184)	0	0
Total	450	411	(85)	776
Value adjustment of derivatives and corporate bonds	15	32	0	47
Core income from securities			36	36
Total core income *	465	443	(49)	859
Operating costs	199	185	53	437
Payment to the Guarantee Fund for Depositors and Investors ⁴			70	70
Core earnings before impairment losses	266	258	(172)	352
Impairment losses on loans and advances	78	(48)	(49)	26
Core earnings after impairment losses	188	306	(168)	326
Investment portfolio income ²			(111)	(111)
Profit (loss) before tax for the period	188	306	(279)	215
* Of which transactions between business areas	21.0	19.0	(40.0)	0.0
Core income from business operations:costs	1.6	3.0	(0.7)	1.5
Average allocated business capital ³	3,444	3,249	2,291	8,984
Core earnings after impairment losses as % of allocated capital (pa)	21.8	37.7	-	9.6

¹ Includes income from securities not allocated to the individual business areas, but included in the Bank's own portfolio as well as non-allocated costs. Also include the Bank's Treasury activities as from 2012. Comparative figures have been restated.

² Investment portfolio income equals the return on the Bank's own portfolio exceeding risk-free interest. As from 2011, the portfolio of Kalvebod issues is recognised under Group items as are certain expenses in connection with Nykredit's intercompany guarantee.

³ The business capital has been determined according to the Basel II principles based on the method applied to determine the required capital base.

⁴ Includes expenses resulting from bankruptcies in the Danish banking sector.

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
Q1/2011	Q1/2012	Q1/2012	Q1/2011
		3. INTEREST INCOME	
26	58	58	26
638	753	770	653
417	291	292	418
(64)	(40)	(40)	(64)
(11)	(16)	(16)	(11)
(52)	(18)	(18)	(52)
(1)	(5)	(5)	(1)
0	(1)	(1)	0
0	1	1	1
1,017	1,063	1,081	1,034
		Of which interest income from genuine purchase and resale transactions entered as	
12	45	45	12
32	80	80	32
		4. INTEREST EXPENSES	
43	139	139	43
220	192	188	219
135	152	152	135
8	(1)	(1)	8
406	482	478	405
		Of which interest expenses for genuine sale and repurchase transactions entered as	
13	81	81	13
43	18	18	43
		5. VALUE ADJUSTMENTS	
0	(2)	(2)	0
(278)	170	170	(279)
19	21	21	19
12	12	12	12
174	(253)	(253)	174
(73)	(52)	(52)	(74)

Value adjustments mainly relate to financial assets, financial liabilities and derivative financial instruments included in the Bank's/Group's trading activities as well as value adjustments of investment properties. No value adjustments have been made for own credit risk on issued bonds or other financial liabilities.

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
Q1/2011	Q1/2012	Q1/2012	Q1/2011
6. STAFF AND ADMINISTRATIVE EXPENSES			
2	2	2	2
171	176	196	190
228	245	259	241
401	423	457	433
Remuneration of Board of Directors and Executive Board			
Board of Directors			
Remuneration			
Each staff-elected board representative receives annual remuneration of DKK 60,000. No additional remuneration is paid to the Board of Directors.			
Executive Board			
2	2	2	2
2	2	2	2
The terms and conditions governing the remuneration and pensions of the Executive Board have not changed since the Annual Report for 2011, to which reference is made.			
Staff expenses			
142	146	163	158
12	13	15	14
17	17	18	18
171	176	196	190
678	710	832	791
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
Specification of impairment provisions			
5,615	3,897	3,943	5,647
402	371	372	403
6,017	4,268	4,315	6,050
Individual impairment provisions for loans, advances and receivables			
5,694	3,942	3,986	5,721
208	326	334	217
203	271	276	207
84	100	101	84
5,615	3,897	3,943	5,647
Collective impairment provisions			
421	307	308	422
(19)	64	64	(19)
402	371	372	403

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
Q1/2011	Q1/2012	Q1/2012	Q1/2011
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)			
Earnings impact			
(14)	119	Change in provisions for loan and receivable impairment	122 (9)
9	21	Losses recognised for the period, net	23 12
1	7	Received on claims previously written off	7 1
(6)	133	Total impairment losses	138 2
24	(45)	Provisions for guarantees	(45) 24
18	88	Total	93 26
37	24	Of which individual impairment provisions	29 45
(19)	64	Of which collective impairment provisions	64 (19)
Specification of loans and advances with objective evidence of impairment			
8,029	6,098	Loans and advances at amortised cost subject to individual impairment provisioning	6,201 8,112
5,615	3,897	Impairment provisions	3,943 5,647
2,414	2,201	Carrying amount	2,258 2,465
58,249	53,930	Loans and advances at amortised cost subject to collective provisioning	54,164 58,454
402	371	Impairment provisions	372 403
53,192	53,559	Carrying amount	53,792 53,436
8. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
9	20	Profit from investments in group enterprises	- -
9	20	Total	- -
9. TAX			
51	34	Tax on profit for the period	41 54
51	34	Total	41 54
24.0	23.4	Tax as % of profit for the period	27.0 25.0

Tax is calculated on the basis of a tax rate of 25%. Tax for the period was not affected by any special circumstances, and tax for the full year is expected to come to almost 25%.

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2011	31.03.2012		31.03.2012	31.12.2011
		10. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
16,788	12,345	Receivables at call from central banks	12,345	16,788
30,912	30,003	Receivables from credit institutions	30,004	30,912
47,700	42,348	Total	42,349	47,700
13,863	14,640	Of which genuine purchase and resale transactions	14,640	13,863
		11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE		
22,007	32,830	Genuine purchase and resale transactions	32,830	22,007
22,007	32,830	Total	32,830	22,007
		12. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST		
55,606	55,760	Loans and advances at amortised cost	56,050	55,901
55,606	55,760	Total	56,050	55,901
		Impairment provisions made, end of period (31 December 2011 and 31 March 2012)		
3,942	3,897	Individual impairment provisions	3,943	3,986
307	371	Collective impairment provisions	372	308
		13. BONDS AT FAIR VALUE		
50,092	59,486	Covered bonds	59,654	50,239
5,444	5,286	Government bonds	5,286	5,444
5,646	7,852	Other bonds	7,852	5,646
61,182	72,624	Total	72,792	61,329
681	1,005	Self-issued bonds offset against issued bonds	1,005	681
60,501	71,619	Total	71,787	60,648
		The impact of fair value adjustment was recognised in the income statement.		
2,218	413	Of which drawn bonds	413	2,218
30,039	37,745	Assets sold as part of genuine sale and repurchase transactions	37,745	30,039
18,371	17,748	As collateral for the Danish central bank, Danmarks Nationalbank, and foreign clearing centres, etc, bonds have been deposited of a total market value of	17,748	18,371
		The collateral was provided on an arm's length basis.		

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2011	31.03.2012		31.03.2012	31.12.2011
		14. EQUITIES		
181	178	Listed on NASDAQ OMX Copenhagen A/S	178	181
9	9	Listed on other stock exchanges	9	9
224	204	Unlisted equities carried at fair value	205	225
414	391	Total	392	415
		15. ASSETS IN TEMPORARY POSSESSION		
91	55	Assets, beginning of year	55	91
39	13	Additions	13	39
75	4	Disposals	4	75
55	64	Total	64	55
		At 31 December 2011 and 31 March 2012, this item solely comprised repossessed properties.		
		The Nykredit Bank Group accepts mortgages on property as security for loans, and in a number of instances Nykredit Bank repossesses the properties in the event of borrowers' non-performance of loan agreements etc.		
		Property valuation is based on the expected sales values in case of disposal within a period of 12 months.		
		16. OTHER ASSETS		
5,160	6,275	Interest and commission receivable	6,308	5,160
37,494	36,324	Positive market value of derivative financial instruments	36,324	37,494
309	266	Other	272	318
42,963	42,865	Total	42,904	42,972
		17. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS		
5,144	507	Payables to central banks	507	5,144
54,949	68,514	Payables to credit institutions	68,514	57,949
60,093	69,021	Total	69,021	63,093
14,251	17,871	Of which genuine sale and repurchase transactions	17,871	14,251
		18. DEPOSITS AND OTHER PAYABLES		
29,651	30,597	On demand	30,570	29,572
6,313	6,697	At notice	6,697	6,313
18,842	16,941	Time deposits	16,901	18,812
2,854	2,660	Special deposits	2,660	2,854
57,660	56,895	Total	56,828	57,551

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2011	31.03.2012		31.03.2012	31.12.2011
19. ISSUED BONDS AT AMORTISED COST				
Issues				
14,535	17,828	EMTN issues*	17,828	14,535
11,914	14,665	ECP issues*	14,665	11,914
29	29	Employee bonds	29	29
340	59	Other issues *	59	340
26,818	32,581	Total	32,581	26,818
681	1,005	Own portfolio	1,005	681
26,137	31,576	Total	31,576	26,137
No value adjustments have been made that can be ascribed to own credit risk changes.				
* Listed on NASDAQ OMX Copenhagen A/S or on the Luxembourg Stock Exchange.				
20. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE				
15,864	17,995	Deposits at fair value	17,995	15,864
11,444	14,184	Negative securities portfolios	14,184	11,444
27,308	32,179	Total	32,179	27,308
15,864	17,995	Of which genuine sale and repurchase transactions	17,995	15,864
21. OTHER LIABILITIES				
6,026	7,223	Interest and commission payable	7,238	6,056
36,728	35,770	Negative market value of derivative financial instruments	35,770	36,728
579	658	Other payables	782	713
43,333	43,651	Total	43,790	43,497

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
31.12.2011	31.03.2012	31.03.2012	31.12.2011
22. PROVISIONS			
Provisions for losses under guarantees			
745	114	114	745
92	2	2	92
723	47	47	723
114	69	69	114
Other provisions			
102	119	119	102
88	10	10	88
71	0	0	71
119	129	129	119
Total provisions for losses under guarantees and other provisions			
847	233	233	847
180	12	12	180
794	47	47	794
233	198	198	233

As a result of its operations, the Bank continuously enters into contracts where it is probable that the settlement of the liability will lead to an outflow of the Bank's financial resources, and where a reliable estimate may be made of the size of the liability.

The balance sheet items in the financial statements represent the Bank's best estimates of the expected costs relating to provisions.

The provisions typically concern contractual obligations relating to loans and advances and other banking activities, including provisions for and final settlement of Bank Rescue Package I in 2011.

In 2011 the Bank's provisions for expenses in connection with the Guarantee Fund for Depositors and Investors totalled DKK 85m as a result of the bankruptcies of Amagerbanken A/S and Max Bank A/S. Of this amount DKK 70m was settled in 2011.

It is estimated that the majority of provisions will be settled within 1-2 years.

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
31.12.2011	31.03.2012	31.03.2012	31.12.2011
		23. SUBORDINATED DEBT	
		Subordinated debt consists of financial liabilities in the form of subordinate loan capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.	
		Hybrid capital	
100	100	Nom DKK 100m. The loan is perpetual and carries a floating interest rate of 1.7% pa above 3M Cibur.	100
150	150	Nom DKK 150m. The loan is perpetual and carries a fixed interest rate of 6.3% pa.	150
250	250	Total	250
250	250	Total subordinated debt	250
		Included in the determination of the capital base after statutory deductions	
-	-	- Subordinate loan capital	-
250	250	Hybrid capital	250
-	-	- Costs related to raising and redeeming subordinated debt	-
		No value adjustments have been made that can be attributed to changes in own credit risk.	
		Subordinated debt entirely relates to capital raised by the former Forstædernes Bank.	
		24. CONTINGENT LIABILITIES	
6,861	7,758	Financial guarantees	7,758
501	489	Registration and refinancing guarantees	489
2,780	2,793	Other contingent liabilities	2,793
10,142	11,040	Total	11,040
		OTHER CONTINGENT LIABILITIES	
		<i>Legal proceedings and litigation</i>	
		The Bank's operations involve the Bank in legal proceedings and litigation, including tax disputes. The Bank is of the opinion that the outcome thereof will have no material effect on its financial position.	
		<i>The bankruptcies of Amagerbanken, Fjordbank Mors and Max Bank in 2011</i>	
		For the full year 2011, the Bank charged about DKK 330m related to the bankruptcies of Amagerbanken A/S, Fjordbank Mors A/S and Max Bank A/S to the income statement. The amount corresponds to the costs the Bank expects to incur in relation to the winding-up of the three banks.	
		The majority of the Bank's losses in connection with Amagerbanken and Fjordbank Mors were attributable to hybrid capital and subordinated debt. The expenses in connection with Max Bank came to DKK 15m, corresponding to the Bank's estimated share of the expenses covered by the Guarantee Fund for Depositors and Investors in connection with the winding-up of the bank. Nykredit Bank had no loans, advances or other receivables in Max Bank.	
		<i>Guarantee Fund for Depositors and Investors</i>	
		Nykredit Bank is liable for about 3% of any losses that the Guarantee Fund for Depositors and Investors must cover as a result of bankruptcies or winding-up of Danish banks.	

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2011	31.03.2012		31.03.2012	31.12.2011
		25. OTHER COMMITMENTS		
6,493	6,288	Irrevocable credit commitments	6,288	6,493
179	179	Other	313	349
6,672	6,467	Total	6,601	6,842

26. RELATED PARTY TRANSACTIONS AND BALANCES

The Parent Company Nykredit Realkredit, its parent company as well as group enterprises and associates are regarded as related parties. In addition, Nykredit Bank's group enterprises and associates are included as stated in the group structure as well as the Bank's Board of Directors, its Executive Board and related parties thereof.

No unusual related party transactions occurred in 2011 or Q1/2012.

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, insurance, sales commission, tasks relating to IT support and IT development projects, payroll and staff administration as well as other administrative tasks.

Intercompany trade and services took place on an arm's length basis or on a cost reimbursement basis.

Important related party transactions prevailing/entered into in 2011 or 2012 include:

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

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

In H1/2011 the Bank sold the portfolio of Kalvebod issues to Nykredit Realkredit. The fair value of the portfolio was about DKK 1.1bn at the transfer date.

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

Nykredit Holding A/S has issued guarantees or letters of comfort to third parties in specific cases.

Furthermore, Nykredit Holding A/S has issued a loss guarantee for the part of the Bank's impairment losses and provisions (earnings impact for the year) that exceeds 2% of loans, advances and guarantees subject to a maximum of DKK 2bn for the term of the guarantee. The guarantee is valid until terminated by the Bank's Management.

Notes

DKK million

The Nykredit Bank Group

27. LOANS, ADVANCES AND GUARANTEES**Loans, advances, guarantees and provisions by sector and industry****31 March 2012**

	Carrying amount			Proportion (%)	Individual and other provisions	Provisions		Total
	Loans and advances	Guarantees	Total loans, advances and guarantees			Collective impairment provisions		
Public sector	228	288	516	0.5	0	0	0	0
Commercial								
Agriculture, hunting, forestry and fishing	1,912	209	2,121	2.1	109	10		119
Manufacturing, mining and quarrying	5,851	744	6,595	6.6	90	27		117
Energy supply	1,224	44	1,268	1.3	26	2		28
Construction	1,385	307	1,692	1.7	246	15		261
Trade	2,230	222	2,452	2.5	254	8		262
Transport, accommodation and food service activities	1,772	117	1,889	1.9	84	8		92
Information and communication	1,211	71	1,282	1.3	81	2		83
Financial and insurance activities	38,547	888	39,435	39.5	897	32		929
Property	12,256	3,075	15,331	15.3	1,161	174		1,335
Other commercial	7,081	863	7,944	8.0	485	32		517
Total commercial	73,469	6,540	80,009	80.1	3,433	310		3,743
Personal	15,183	4,212	19,395	19.4	579	62		641
Total	88,880	11,040	99,920	100.0	4,012	372		4,384
Of which reverse lending	32,830	-	32,830	32.9	-	-		-

31 December 2011

	Carrying amount			Proportion (%)	Individual and other provisions	Provisions		Total
	Loans and advances	Guarantees	Total loans, advances and guarantees			Collective impairment provisions		
Public sector	237	305	542	0.6	0	0	0	0
Commercial								
Agriculture, hunting, forestry and fishing	2,102	346	2,448	2.8	107	13		120
Manufacturing, mining and quarrying	5,214	438	5,652	6.4	87	18		105
Energy supply	1,253	53	1,306	1.5	29	4		33
Construction	1,373	314	1,687	1.9	245	9		254
Trade	2,224	248	2,472	2.8	281	6		287
Transport, accommodation and food service activities	1,782	526	2,308	2.6	83	7		90
Information and communication	896	68	964	1.1	63	2		65
Financial and insurance activities	27,867	789	28,656	32.5	909	26		935
Property	12,423	2,190	14,613	16.6	1,172	140		1,312
Other commercial	7,079	688	7,767	8.8	508	22		530
Total commercial	62,213	5,660	67,873	77.1	3,484	247		3,731
Personal	15,459	4,177	19,636	22.3	616	61		677
Total	77,909	10,142	88,051	100.0	4,100	308		4,408
Of which reverse lending	22,007	-	22,007	25.0	-	-		-

PROVISIONING RATE

Group	Q1/2012	Q4/2011	Q3/2011	Q2/2011	Q1/2011
Total loans and advances	88,880	77,908	70,180	73,950	73,968
Total guarantees	11,040	10,142	10,555	9,229	12,175
Provisions for loan impairment	4,315	4,294	5,137	5,354	6,050
Provisions for guarantees	69	114	144	153	109
Loans, advances, guarantees and loan impairment	104,304	92,458	86,016	88,686	92,302
Provisioning rate, %	4.2	4.8	6.1	6.2	6.7
Provisioning rate excluding guarantees, %	4.6	5.2	6.8	6.8	7.6

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
31.03.2011	31.03.2012	31.03.2012	31.03.2011
28. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES			
Foreign exchange risk			
121	25	25	121
0.9	0.2	0.2	0.9
0	0	0	0
0	0	0	0
Interest rate risk by the currency involving the highest interest rate exposure			
187	203	204	188
(55)	(133)	(133)	(55)
1	10	10	1
5	1	1	5
(3)	(5)	(5)	(3)
1	0	0	1
0	2	2	0
136	78	79	137
29. HEDGING INTEREST RATE RISK			
Market risk is the risk of loss of market value as a result of movements in financial markets (interest rate, foreign exchange, equity price risk, etc).			
The Nykredit Bank Group continuously hedges the interest rate risk of fixed-rate assets and liabilities using derivative financial instruments etc.			
This enables the Group to manage the level of its aggregate interest rate sensitivity taking into consideration the expected interest rate development.			
According to the accounting provisions, loans, advances and deposits are generally measured at amortised cost, while derivative financial instruments are measured at fair value. To obtain accounting symmetry between hedging and hedged transactions, adjustment of the carrying amounts of the financial assets and liabilities that form part of the effective hedge accounting has been allowed. The fair value adjustment exclusively concerns the hedged part (the interest rate exposure).			

Notes

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.03.2011	31.03.2012			31.03.2012	31.03.2011
29. HEDGING INTEREST RATE RISK (continued)					
HEDGED FIXED-RATE ASSETS					
1,555	1,150	Loans, advances and other receivables at amortised cost		1,150	1,555
1,555	1,150	Total nominal value		1,150	1,555
Market value of hedged fixed-rate assets					
1,585	1,204	Loans, advances and other receivables at amortised cost		1,204	1,585
1,585	1,204	Total carrying amount, end of period		1,204	1,585
Fair value adjustment					
30	54	Loans, advances and other receivables at amortised cost		54	30
30	54	Total fair value adjustment		54	30
HEDGED FIXED-RATE FINANCIAL LIABILITIES					
4,303	4,293	Issued bonds at amortised cost		4,293	4,303
4,303	4,293	Total nominal value		4,293	4,303
Market value of hedged fixed-rate financial liabilities					
4,303	4,424	Issued bonds at amortised cost		4,424	4,303
4,303	4,424	Total carrying amount, end of period		4,424	4,303
Fair value adjustment					
186	(131)	Issued bonds at amortised cost		(131)	186
186	(131)	Total fair value adjustment		(131)	186
HEDGING DERIVATIVE FINANCIAL INSTRUMENTS					
6,099	5,348	Nominal value (synthetic principal)		5,348	6,099
(217)	76	Market value adjustment (negative market value)		76	(217)
FAIR VALUE ADJUSTMENT DIFFERENCE					
(1)	(1)	Total		(1)	(1)
Amounts recognised through profit or loss for the financial period					
77	(40)	Hedged transactions		(40)	77
(77)	41	Hedging transactions		41	(77)

Notes

DKK million

30. GROUP STRUCTURE

Name and registered office	Revenue *	Assets	Liabilities	Share capital 31.03.12	Equity 31.12.11	Ownership interest, % 31.03.12	Profit for the period	Nykredit Bank's share of profit for the period	Equity 31.03.12	Carrying amount
Nykredit Bank A/S (Parent Company) a)	645	247,152	232,839	6,045	14,202	-	111	-	14,313	-
Consolidated subsidiaries										
Nykredit Portefølje Administration A/S, Copenhagen e)	45	261	50	25	194	100	17	17	211	211
Nykredit Pantebrevsinvestering A/S, Copenhagen b)	0	12	0	5	12	100	0	0	12	12
Nykredit Leasing A/S, Gladsaxe c)	25	2,718	2,571	46	144	100	3	3	147	147
FB Ejendomme A/S, Copenhagen d)	0	5	1	3	4	100	0	0	4	4
Associates										
Dansk Pantebrevsbørs A/S, Copenhagen b)	-	-	-	-	-	50	0	-	0	-
The company is subject to insolvency proceedings.										

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

Nykredit Pantebrevsinvestering A/S has had few activities in 2011 and 2012.

- a) Bank
- b) Mortgage trading company
- c) Leasing company
- d) Property management company
- e) Investment management activities, including asset management and investment advisory services

Notes

DKK million

	Q1/ 2012	Q4/ 2011	Q3/ 2011	Q2/ 2011	Q1/ 2011
31. THE NYKREDIT BANK GROUP – FIVE QUARTERS					
SUMMARY INCOME STATEMENT					
Net interest income	603	653	639	662	629
Dividends, fees and commission income (net)	156	155	150	183	186
Net interest and fee income	759	808	789	845	815
Value adjustments	(52)	(211)	(128)	18	(74)
Net interest, fees and value adjustments	707	597	661	863	741
Other operating income	7	12	8	7	7
Staff and administrative expenses	457	510	410	447	433
Other operating costs, depreciation and amortisation	12	4	19	18	74
Impairment losses on loans, advances and receivables	93	250	(63)	175	26
Profit from investments in associates and group enterprises	-	-	-	-	-
Profit (loss) before tax	152	(155)	303	230	215
Tax	41	(31)	76	61	54
Profit (loss)	111	(124)	227	169	161
SUMMARY BALANCE SHEET, END OF PERIOD					
Assets					
Cash balance and receivables from central banks and credit institutions	43,008	50,244	21,471	25,418	28,515
Loans, advances and other receivables at fair value	32,830	22,007	14,398	16,409	13,451
Loans, advances and other receivables at amortised cost	56,050	55,901	55,782	57,541	60,517
Bonds at fair value	71,787	60,648	68,219	56,388	67,921
Equities	392	415	436	448	377
Land and buildings	-	-	67	67	68
Other asset items	43,161	43,153	42,372	25,818	27,734
Total assets	247,228	232,368	202,745	182,089	198,583
Liabilities and equity					
Payables to credit institutions and central banks	67,967	63,093	45,633	37,647	40,888
Deposits and other payables	56,828	57,551	53,659	52,107	53,648
Issued bonds	31,576	26,137	27,207	26,113	33,886
Other non-derivative financial liabilities at fair value	32,179	27,308	18,590	25,336	28,030
Other payables	43,917	43,594	42,419	25,766	27,184
Total payables	232,467	217,683	187,508	166,969	183,636
Provisions	198	233	261	255	282
Subordinated debt	250	250	650	766	735
Equity	14,313	14,202	14,326	14,099	13,930
Total liabilities and equity	247,228	232,368	202,745	182,089	198,583
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	11,040	10,142	10,555	9,229	12,175
Other commitments	6,601	6,842	7,050	6,617	7,378
FINANCIAL RATIOS					
Total capital ratio, %	21.2	19.3	18.0	18.5	16.4
Tier 1 capital ratio, %	21.2	19.3	17.2	17.9	15.9
Return on equity before tax (pa), %	4.3	(4.3)	8.5	6.6	6.2
Return on equity after tax (pa), %	3.1	(3.5)	6.4	4.8	4.6
Income:cost ratio	1.27	0.80	1.83	1.36	1.40
Interest rate exposure, %	0.6	0.7	0.8	0.5	1.0

Notes

DKK million

	Q1/ 2012	FY 2011	Q1/ 2011	Q1/ 2010	Q1/ 2009	Q1/ 2008
32. THE NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS						
SUMMARY INCOME STATEMENT						
Net interest and fee income	759	3,257	815	891	920	640
Value adjustments	(52)	(395)	(74)	193	(39)	(6)
Other operating income	7	34	7	11	12	8
Staff and administrative expenses	457	1,800	433	510	471	393
Other operating costs, depreciation and amortisation	12	115	74	130	147	13
Impairment losses on loans, advances and receivables	93	388	26	381	892	24
Profit from investments in associates and group enterprises	-	-	-	-	-	-
PROFIT (LOSS) BEFORE TAX	152	593	215	74	(617)	212
Tax	41	160	54	53	(147)	54
PROFIT (LOSS) FOR THE PERIOD	111	433	161	21	(470)	158
SUMMARY BALANCE SHEET						
Assets						
Cash balance and receivables from central banks and credit institutions	43,008	50,244	28,515	45,103	28,297	25,548
Loans, advances and other receivables at fair value	32,830	22,007	13,451	13,314	25,749	8,171
Loans, advances and other receivables at amortised cost	56,050	55,901	60,517	59,871	67,961	67,831
Bonds at fair value and equities	72,179	61,063	68,298	74,394	74,857	66,248
Other asset items	43,161	43,153	27,802	36,136	35,665	14,734
TOTAL ASSETS	247,228	232,368	198,583	228,818	232,529	182,532
Liabilities and equity						
Payables to credit institutions and central banks	67,967	63,093	40,888	66,382	77,336	96,366
Deposits and other payables	56,828	57,551	53,648	59,762	59,270	48,486
Issued bonds at amortised cost	31,576	26,137	33,886	40,365	42,207	5,970
Other non-derivative financial liabilities at fair value	32,179	27,308	28,030	14,327	4,728	7,041
Other payables	43,917	43,594	27,184	33,490	34,485	12,411
TOTAL PAYABLES	232,467	217,683	183,636	214,326	218,026	170,274
Provisions	198	233	282	948	150	27
Subordinated debt	250	250	735	1,149	4,161	3,808
Equity	14,313	14,202	13,930	12,395	10,192	8,423
TOTAL LIABILITIES AND EQUITY	247,228	232,368	198,583	228,818	232,529	182,532
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	11,040	10,142	12,175	20,131	15,860	17,804
Other commitments	6,601	6,842	7,378	8,476	8,570	8,365
FINANCIAL RATIOS						
Total capital ratio, %	21.2	19.3	16.4	12.4	11.6	9.8
Tier 1 capital ratio, %	21.2	19.3	15.9	12.4	8.7	7.2
Return on equity before tax (pa), % *	1.1	4.2	1.6	0.6	(6.1)	2.5
Return on equity after tax (pa), % *	0.8	3.1	1.2	0.2	(4.6)	1.9
Income:cost ratio *	1.27	1.26	1.40	1.07	0.59	1.49
Interest rate exposure, %	0.6	0.7	1.0	0.7	0.9	2.4
Foreign exchange position, %	0.1	0.6	0.9	2.5	1.5	11.7
Foreign exchange exposure, %	0.0	0.0	0.0	0.0	0.0	0.1
Loans and advances:deposits *	1.7	1.5	1.5	1.4	1.6	1.6
Loans and advances:equity *	6.2	5.5	5.3	5.9	9.2	9.0
Growth in loans and advances for the period, % *	14.1	8.2	2.7	0.4	(4.3)	7.1
Excess cover:statutory liquidity requirements, %	209.5	176.4	212.8	243.8	165.0	64.9
Total large exposures, %	0.0	0.0	11.7	70.7	75.9	130.2
Impairment losses for the period, % *	0.1	0.4	0.0	0.4	0.8	0.0
Average number of staff, full-time equivalents	832	817	791	1,082	1,331	1,215
The financial ratios have been calculated in accordance with the definitions of the Danish Executive Order on the Presentation of Financial Statements.						
*Restated to reflect the merger with Forstædernes Bank for the period 2008-2009.						
Financial ratios regarding total capital and Tier 1 capital ratios etc are not affected by the merger with Forstædernes Bank. Comparative figures thus correspond to Nykredit Bank's original statement.						

Financial ratios, definitions

Total capital ratio, %	Capital base divided by risk-weighted assets
Tier 1 capital ratio, %	Tier 1 capital after statutory deductions divided by risk-weighted assets
Return on equity before tax, %	Profit (loss) before tax as a percentage of average equity
Return on equity after tax, %	Profit (loss) after tax as a percentage of average equity
Income:cost ratio	Income incl profit (loss) from associates and group enterprises divided by costs less tax
Interest rate exposure, %	Interest rate exposure divided by Tier 1 capital after statutory deductions
Foreign exchange position, %	Foreign exchange indicator 1 divided by Tier 1 capital less statutory deductions
Foreign exchange exposure, %	Foreign exchange indicator 2 divided by Tier 1 capital less statutory deductions
Loans and advances:deposits	Loans and advances + impairment provisions divided by deposits Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost
Loans and advances:equity	Loans and advances divided by equity (end of year/period) Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost
Growth in loans and advances for the year/period, %	Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year/period divided by loans and advances at the end of the year/period) Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost
Excess cover:statutory liquidity requirements, %	Excess cover relative to the 10% requirement of section 152 of the Danish Financial Business Act. (Available excess liquidity relative to 10% of reduced payables) (Reduced payables: Balance sheet total + guarantees - equity - subordinated debt included in the determination of the capital base)
Total large exposures, %	Total large exposures divided by the capital base
Impairment losses for the year/period, %	Impairment losses for the year/period divided by loans and advances + guarantees + impairment provisions

The financial ratios have been calculated in accordance with the Danish FSA's guidelines thereon, cf note 32.