

To the Copenhagen Stock Exchange  
and the press

10 May 2007

## Q1 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2007–31 MARCH 2007

- Group profit before tax was DKK 1,148m against DKK 735m in Q1/2006
- Group profit after tax landed at DKK 849m, and including value adjustment of strategic equities, it came to DKK 1,149m
- Marked growth in core earnings of DKK 367m to DKK 984m
  - growing income from banking (DKK 165m), core income from securities (DKK 213m) and a reversal of provisions for loan impairment (DKK 35m)
  - falling earnings (down DKK 41m) from mortgage lending
- Total Group gross new mortgage lending amounted to DKK 37bn against DKK 43bn in 2006
- Nominal mortgage lending went up by DKK 15bn to DKK 781bn
- Bank lending was up by just over DKK 5bn to DKK 34bn

### FINANCIAL HIGHLIGHTS

- Group core income from business operations went up by DKK 175m to DKK 1,541m
  - Bank Group core income from business operations increased by DKK 165m to DKK 452m
- Core income from banking and insurance operations accounted for 33% of core income from business operations
- Core income from securities rose by DKK 213m to DKK 436m
- Operating costs, depreciation and amortisation fell by DKK 3m to DKK 1,006m adjusted for the consolidation of JN Data, but went up before adjustment by DKK 56m
- Total impairment losses translated into a net income of DKK 72m
- Investment portfolio income amounted to DKK 164m. To this, value adjustment of strategic equities against equity of DKK 303m should be added
- After inclusion of profit for the period, Group equity stood at DKK 53,135m
- The Group's core capital ratio was 11.1% including profit for the period

### 2007 – OUTLOOK

The Nykredit Realkredit Group maintains expectations of a profit before tax for the year in the region of DKK 3.6-3.9bn.

– Earnings from banking, pension and insurance activities account for a constantly increasing share of earnings. This is a positive development that reduces our sensitivity to the natural fluctuations in the mortgage market, says Peter Engberg Jensen, Group Chief Executive.

### INFORMATION ABOUT THE NYKREDIT GROUP

Further information on the Nykredit Group is available at [nykredit.com](http://nykredit.com).

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## Financial highlights and ratios

	Q1/ 2007	Q1/ 2006	FY 2006
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>			
<b>Core income from</b>			
Business operations	1,541	1,366	5,992
Securities	436	223	1,260
<b>Total</b>	<b>1,977</b>	<b>1,589</b>	<b>7,252</b>
Operating costs, depreciation and amortisation	1,065	1,009	4,038
<b>Core earnings before impairment losses</b>	<b>912</b>	<b>580</b>	<b>3,214</b>
Impairment losses on loans and advances	(72)	(37)	(369)
<b>Core earnings after impairment losses</b>	<b>984</b>	<b>617</b>	<b>3,583</b>
Investment portfolio income	164	118	870
<b>Profit before tax</b>	<b>1,148</b>	<b>735</b>	<b>4,453</b>
Tax	299	194	1,126
<b>Profit for the period</b>	<b>849</b>	<b>541</b>	<b>3,327</b>
<b>Profit for the year excludes value adjustment of strategic equities against equity</b>	<b>300</b>	<b>904</b>	<b>1,419</b>
	31.03.2007	31.03.2006	31.12.2006
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>			
<b>Assets</b>			
Receivables from credit institutions and central banks	32,884	46,312	57,516
Mortgage loans	772,781	701,399	758,132
Bank loans – excluding reverse transactions	34,086	21,950	28,983
Bonds and equities	62,376	58,425	89,005
Other assets	24,710	23,535	23,528
<b>Total assets</b>	<b>926,837</b>	<b>851,621</b>	<b>957,164</b>
<b>Liabilities and equity</b>			
Payables to credit institutions and central banks	90,108	74,281	84,512
Deposits	21,318	23,992	22,165
Issued bonds	719,076	656,340	751,560
Hybrid core capital	3,699	3,788	3,730
Supplementary capital	4,983	6,107	4,985
Other liabilities	34,518	36,982	38,225
Equity	53,135	50,131	51,987
<b>Total liabilities and equity</b>	<b>926,837</b>	<b>851,621</b>	<b>957,164</b>
<b>FINANCIAL RATIOS</b>			
Profit for the period as a % of average equity pa	6.5	4.4	6.6
Core earnings before impairment losses as a % of average equity pa	6.9	4.7	6.4
Core earnings after impairment losses as a % of average equity pa	7.5	5.0	7.1
Costs as a % of core income	53.9	63.5	55.7
Total impairment provisions	338	739	406
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)
Capital adequacy ratio, %	11.6	12.3	11.8
Core capital ratio including hybrid core capital, %	10.9	11.2	11.0
Core capital ratio excluding hybrid core capital, %	10.1	10.3	10.2
Average number of full-time staff	3,564	3,385	3,559

# Q1 Interim Report 2007

## THE NYKREDIT REALKREDIT GROUP RESULTS

The Group recorded a profit before tax for Q1/2007 of DKK 1,148m against DKK 735m in the same period the year before.

Profit after tax was DKK 849m against DKK 541m in Q1/2006. Including the value adjustment of strategic equities against equity, profit after tax came to DKK 1,149m against DKK 1,445m in Q1/2006.

### Core earnings

Group core earnings after impairment losses were DKK 984m against DKK 617m in the same period the year before.

Growth in core earnings can particularly be ascribed to the banking activities, core income from securities and reversed provisions for loan impairment, while the mortgage lending activities pull in the opposite direction as a result of lower gross new lending. Measured at nominal value, Group mortgage lending rose by DKK 15bn to DKK 781bn against DKK 766bn at the beginning of the year.

Group core income from business operations was DKK 1,541m against DKK 1,366m in Q1/2006. The DKK 175m rise is chiefly related to the banking activities (DKK 165m), mortgage lending activities (a negative DKK 41m) and the consolidation of JN Data (DKK 60m).

Core income from mortgage business operations fell from DKK 974m in Q1/2006 to DKK 933m in Q1/2007. The backdrop for this was a decrease in gross new lending from DKK 43bn to DKK 37bn. Group mortgage lending at nominal value rose by DKK 15bn to DKK 781bn against DKK 766bn at the beginning of the year.

In terms of gross new lending, the Nykredit Group held a market share of 41.8% in the first three months of the year.

Core income from banking operations came to DKK 452m against DKK 287m in the same period the year before. The increase was related in particular to Markets & Asset Management which recorded an increase in core income of DKK 112m to DKK 264m.

Core income from insurance operations remained flat at DKK 62m.

Core income from securities was recognised at DKK 436m against DKK 223m in the same period the year before. Core income from securities is calculated on the basis of short money market rates, which averaged 3.7% in Q1/2007.

Operating costs, depreciation and amortisation went up by DKK 56m to DKK 1,065m. Adjusted for proportionate consolidation of JN Data, operating costs, depreciation and amortisation were down by DKK 3m on 2006.

Group impairment losses on loans and advances netted an income of DKK 72m. Impairment losses on loans and advances reflect an extraordinarily low level of loan arrears and the reversal of provisions for loan impairment in the mortgage banking and the banking business. Provisions for loan impairment totalled DKK 338m against DKK 406m at the beginning of the year. Total impairment losses at end-Q1 equalled 0.04% of loans and advances.

### Investment portfolio income

Group investment portfolio income was DKK 164m against DKK 118m in the same period of 2006.

The investment portfolio of bonds, liquidity and interest rate instruments generated a profit of DKK 52m against a loss of DKK 97m in Q1/2006. Equities and equity instruments amounted to DKK 112m against DKK 215m in Q1/2006. To this, an income of DKK 303m should be added relating to strategic equities, which are adjusted against equity in the Consolidated Financial Statements.

### Tax

Tax on profit for the period has been estimated at DKK 299m for the Group as a whole equal to an effective tax rate of 26%.

As a result of the coming Danish corporation tax reform, the tax charge for Q1/2007 is expected to be reduced by DKK 32m to DKK 267m.

### Financial risk

At 31 March 2007 Group Value-at-Risk stood at DKK 175m in terms of a 99% confidence interval over one day.

The Group interest rate exposure was DKK 714m in case of a general interest rate change of 1 percentage point. The equity price exposure in case of a general price decline of 10% was DKK 756m.

### Subsidiaries

Totalkredit recorded a profit before tax of DKK 236m compared with DKK 153m in the same period the year before. For further information, please refer to Totalkredit's Q1 Interim Report 2007.

The Nykredit Bank Group realised a profit before tax of DKK 320m compared with DKK 162m in the same period the year before. For further information, please refer to the Q1 Interim Report 2007 of the Nykredit Bank Group.

Nykredit Forsikring generated a profit before tax of DKK 43m against DKK 54m in the same period the year before. The decline can mainly be ascribed to lower investment portfolio income.

### OUTLOOK FOR 2007

Group core earnings were lower than expected within mortgage lending but higher within banking. The development in the overall core earnings level was in line with expectations.

Against this backdrop, the Nykredit Group maintains its forecast of a profit before tax of around DKK 3,600-3,900m.

## BUSINESS AREAS

The Group is organised into four business areas - Retail Customers, Business Partners, Commercial Customers and Markets & Asset Management. The activities of the business areas are coordinated across Group entities.

**Retail Customers** comprises activities aimed at retail customers through Nykredit's own distribution channels. Retail Customers realised core earnings before impairment losses of DKK 181m against DKK 228m in 2006. Results reflect gross new lending of just over DKK 6bn against DKK 10bn in 2006. Bank lending went up by DKK 0.5bn to DKK 6.7bn.

**Business Partners** is primarily responsible for the sale by business partners of mortgage loans to retail customers of Totalkredit arranged by Danish local and regional banks. Business Partners realised core earnings before impairment losses of DKK 48m against DKK 42m in 2006. Results mirror a rise in nominal lending of DKK 11bn to DKK 323bn. Results include amortisation of DKK 99m relating to distribution rights.

**Commercial Customers** serves agricultural, business and rental housing customers, including housing society and non-profit housing customers. Commercial Customers realised core earnings before impairment losses of DKK 346m against DKK 328m in 2006. Gross new mortgage lending amounted to DKK 9bn compared with DKK 12bn in 2006. Bank lending went up by nearly DKK 5bn to just over DKK 27bn.

**Markets & Asset Management** handles the activities of the Nykredit Realkredit Group within trading in securities and financial instruments, debt capital, asset management and pension products. Markets & Asset Management realised core earnings of DKK 137m against DKK 62m in 2006. Core income increased by DKK 112m to DKK 264m. All business areas delivered a positive performance in the period, and the trading, debt capital and asset management activities maintained the same high level as in H2/2006.

Group items include income and expenses not directly attributable to the business areas.

## Q1 results by business area

DKK million	Retail Customers		Business Partners		Commercial Customers		Markets & Asset Management		Group items and eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Core income from business operations	477	510	227	198	487	472	264	152	86	34	1,541	1,366
Core income from securities	-	-	-	-	-	-	-	-	436	223	436	223
Direct operating costs	292	282	79	57	141	144	127	90	295	312	934	885
Depreciation on property, plant and equipment and amortisation of intangible assets	4	-	100	99	-	-	-	-	27	25	131	124
<b>Core earnings before impairment losses</b>	<b>181</b>	<b>228</b>	<b>48</b>	<b>42</b>	<b>346</b>	<b>328</b>	<b>137</b>	<b>62</b>	<b>200</b>	<b>(80)</b>	<b>912</b>	<b>580</b>
Impairment losses on loans and advances	(27)	(19)	-	-	(45)	(18)	-	-	-	-	(72)	(37)
<b>Core earnings after impairment losses</b>	<b>208</b>	<b>247</b>	<b>48</b>	<b>42</b>	<b>391</b>	<b>346</b>	<b>137</b>	<b>62</b>	<b>200</b>	<b>(80)</b>	<b>984</b>	<b>617</b>
Investment portfolio income <sup>1</sup>	-	-	-	-	-	-	-	-	164	118	164	118
<b>Profit before tax</b>	<b>208</b>	<b>247</b>	<b>48</b>	<b>42</b>	<b>391</b>	<b>346</b>	<b>137</b>	<b>62</b>	<b>364</b>	<b>38</b>	<b>1,148</b>	<b>735</b>
<b>Return</b>												
Avg business capital, DKK million <sup>2</sup>	8,460	7,779	9,752	8,115	16,915	16,064	863	690	-	-	30,976	35,028
Core earnings after impairment losses as a % of avg business capital	10.0	12.7	2.0	2.1	9.4	8.7	64.6	36.4	-	-	1.4	7.1

<sup>1</sup> Investment portfolio income includes profit from investments in associates of DKK 5m in 2007 against a negative DKK 2m in 2006

<sup>2</sup> Statutory capital requirement

## GROUP BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

### Balance sheet

The Group's balance sheet totalled DKK 927bn against DKK 957bn at the beginning of the year.

Group mortgage lending at fair value totalled DKK 773bn against DKK 758bn at the beginning of the year. Measured at nominal value, mortgage lending rose by DKK 15bn to DKK 781bn.

Bank lending excluding reverse transactions amounted to DKK 34bn at end-Q1 – up DKK 5bn.

### Equity

Group equity including recognition of profit for the period stood at DKK 53.1bn at year-end compared with DKK 52.0bn at the beginning of the year.

In accordance with IAS 39, Nykredit has classified the Group's strategic equity investments as "available-for-sale" in its Consolidated Financial Statements. The strategic equity investments include equities in some Danish regional banks. The equities are value adjusted

against equity on a continuous basis. The value adjustment against equity in the Consolidated Financial Statements was DKK 300m after tax. The value of equities classified as available-for-sale totalled DKK 5,646m.

### Capital base and capital adequacy

At the end of the period, the Group's capital base stood at DKK 54.9bn equal to a capital adequacy ratio of 11.6%. The Group's core capital ratio was 10.9% and, excluding hybrid core capital, 10.1%.

### Capital requirement and capital structure

The Nykredit Group must maintain a capital structure which secures its ability to offer mortgage loans and other financial solutions during periods with high as well as low business activity. Nykredit's capital resources should also provide a basis for newly issued mortgage bonds to obtain an attractive rating, enabling Nykredit to charge the lowest possible mortgage rates.

Nykredit's capital resources are concentrated in Nykredit Realkredit A/S as far as possible to ensure adequate strategic flexibility and leeway.

Nykredit divides its equity of DKK 53.1bn into three elements:

*Business capital* of DKK 42.0bn equal to the statutory capital requirement. The capital requirement constitutes 8% of risk-weighted items equal to DKK 37.9bn, the statutory capital deductions relating to intangible assets of DKK 3.9bn and insurance activities of DKK 0.2bn.

*Buffer capital* of DKK 4.7bn equal to 1% of risk-weighted items. The buffer capital is maintained to ensure that Nykredit – even after unexpected impairment losses on loans or securities portfolios – will have adequate capital resources to continue lending activities and obtain a high rating of the issued bonds.

*Strategic capital* of DKK 6.4bn constitutes the remainder of equity. The strategic capital is the Group's reserve for strategic initiatives and acquisitions as well as for periods with high business growth in which the rise in the capital requirement exceeds Group earnings.

In addition to equity, hybrid core capital and part of the supplementary capital are eligible in the determination of capital adequacy. Nykredit has raised hybrid core capital of a total of DKK 3.7bn and supplementary capital of DKK 5.2bn, of which DKK 5.0bn is eligible in the determination of capital adequacy.

### The Nykredit Realkredit Group Changes in equity

DKK million	31 March 2007	31 March 2006	31 December 2006
<b>Equity, beginning of year</b>	<b>51,987</b>	<b>48,692</b>	<b>48,692</b>
Acquisition of minority interests	-	-	(1,553)
Profit for the period	849	541	3,327
Fair value adjustment of equities – available-for-sale	300	904	1,419
Other adjustments	(1)	(6)	102
<b>Equity, end of period</b>	<b>53,135</b>	<b>50,131</b>	<b>51,987</b>

### The Nykredit Realkredit Group Capital base and capital adequacy (excl profit for the period)

DKK million	31 March 2007	31 March 2006	31 December 2006
<b>Core capital including hybrid core capital</b>	<b>51,551</b>	<b>48,587</b>	<b>51,514</b>
<b>Core capital excluding hybrid core capital</b>	<b>47,852</b>	<b>44,799</b>	<b>47,874</b>
<b>Capital base</b>	<b>54,936</b>	<b>53,405</b>	<b>55,282</b>
<b>Weighted assets</b>	<b>474,291</b>	<b>435,186</b>	<b>467,992</b>
<b>Capital requirement</b>	<b>37,943</b>	<b>34,185</b>	<b>37,439</b>
<b>Capital adequacy ratio, %</b>	<b>11.6</b>	<b>12.3</b>	<b>11.8</b>
<b>Core capital ratio including hybrid core capital, %</b>	<b>10.9</b>	<b>11.2</b>	<b>11.0</b>
<b>Core capital ratio excluding hybrid core capital, %</b>	<b>10.1</b>	<b>10.3</b>	<b>10.2</b>

**OTHER****Henning Kruse Petersen retires on 30 September**

Henning Kruse Petersen, Group Managing Director, will retire on 30 September 2007 in connection with his sixtieth birthday in November.

The Group Executive Board will subsequently consist of Peter Engberg Jensen, Group Chief Executive, and Søren Holm, Karsten Knudsen, Per Ladegaard and Niels Tørslev, all Group Managing Directors.

**New Director of Nykredit Realkredit A/S**

At the Company's annual general meeting on 28 March 2007, Jens Thomsen, Managing Director, was elected as new board member. Jens Thomsen was also elected to the Boards of Directors of Foreningen Nykredit (the Nykredit Association) and Nykredit Holding A/S.

**Industriens Realkreditfond**

In 2005 Industriens Realkreditfond (the Industrial Mortgage Fund of Denmark) commenced legal proceedings against Nykredit. The status of the proceedings is unchanged relative to the mention in the Annual Report for 2006.

The Danish High Court of Eastern Denmark is expected to deliver judgment in the case in early 2008.

**Tax case**

Nykredit Realkredit is party to a pending tax case which has been appealed to the Danish High Court, cf the mention in the Annual Report for 2006. Should the Danish High Court find in Nykredit's favour, deferred tax of DKK 150m will be recognised as income.

**Uncertainty about recognition and measurement**

In accordance with the International Financial Reporting Standards (IFRS), interim and annual reports are prepared on the basis of assumptions that in some areas require the use of accounting estimates made by Group Management in accordance with the accounting policies and based on previous experience. The accounting estimates and underlying assumptions are tested and assessed regularly.

Areas in which assumptions and estimates are material to the financial statements are:

- Provisions for loan and receivable impairment involving significant estimates in connection with the quantification of the risk of not receiving all future payments. Furthermore, group-based impairment provisions still involve some uncertainty as the Group has only limited historical data as the basis for the computations.
- Unlisted financial instruments involving significant estimates in connection with the measurement of fair values.
- Provisions involving certain estimates at the balance sheet date.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the Q1 Interim Report.

**EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD****Merger of Nykredit Bank A/S and Nykredit Portefølje Bank**

The boards of directors of Nykredit Bank A/S and its wholly-owned subsidiary, Nykredit Portefølje Bank A/S, have adopted a merger plan according to which the companies will merge with effect from 1 January 2007.

The merger, with Nykredit Bank A/S as the surviving company, is subject to approval by the Danish Financial Supervisory Authority. The merger is expected to be finally approved at the companies' board meetings in June this year.

Nykredit Portefølje Bank A/S's subsidiary, Nykredit Portefølje Administration A/S, will subsequently be a wholly-owned subsidiary of Nykredit Bank A/S.

**Nykredit Bank's capital resources strengthened**

To support the positive development of the Bank's business areas, Nykredit Realkredit A/S will in Q2/2007 increase the Bank's capital resources by a total of DKK 1.2bn, DKK 600m of which in the form of equity.

**ACCOUNTING POLICIES**

The Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and further Danish disclosure requirements for interim reports. Compliance with IAS 34 implies compliance with the principles of recognition and measurement of the IFRS and a more limited presentation relative to the presentation of annual reports.

The financial statements of the Parent Company have 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, including the Executive Order on the application of IFRS of financial companies.

The accounting policies are unchanged relative to the Annual Report for 2006. A description of the Group's and the Parent Company's accounting policies applied in the Annual Report for 2006 is available at [nykredit.com](http://nykredit.com).

## Financial highlights and ratios - five quarters

The Nykredit Realkredit Group	Q1/ 2007	Q4/ 2006	Q3/ 2006	Q2/ 2006	Q1/ 2006
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>					
<b>Core income from</b>					
Business operations	1,541	1,781	1,381	1,464	1,366
Securities	436	426	337	274	223
<b>Total</b>	<b>1,977</b>	<b>2,207</b>	<b>1,718</b>	<b>1,738</b>	<b>1,589</b>
Operating costs, depreciation and amortisation	1,065	1,103	915	1,011	1,009
<b>Core earnings before impairment losses</b>	<b>912</b>	<b>1,104</b>	<b>803</b>	<b>727</b>	<b>580</b>
Impairment losses on loans and advances	(72)	(93)	(193)	(46)	(37)
<b>Core earnings after impairment losses</b>	<b>984</b>	<b>1,197</b>	<b>996</b>	<b>773</b>	<b>617</b>
Investment portfolio income	164	440	474	(162)	118
<b>Profit before tax</b>	<b>1,148</b>	<b>1,637</b>	<b>1,470</b>	<b>611</b>	<b>735</b>
Tax	299	390	409	133	194
<b>Profit for the period</b>	<b>849</b>	<b>1,247</b>	<b>1,061</b>	<b>478</b>	<b>541</b>
<b>Profit for the period excludes value adjustment of strategic equities against equity</b>	<b>300</b>	<b>718</b>	<b>100</b>	<b>(303)</b>	<b>904</b>
	31.03.2007	31.12.2006	30.09.2006	30.06.2006	31.03.2006
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
<b>Assets</b>					
Receivables from credit institutions and central banks	32,884	57,516	37,545	36,771	46,312
Mortgage loans	772,781	758,132	741,198	709,854	701,399
Bank loans – excluding reverse transactions	34,086	28,983	25,852	25,020	21,950
Bonds and equities	62,376	89,005	64,331	58,303	58,425
Other assets	24,710	23,528	26,393	30,556	23,535
<b>Total assets</b>	<b>926,837</b>	<b>957,164</b>	<b>895,319</b>	<b>860,504</b>	<b>851,621</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	90,108	84,512	81,018	80,846	74,281
Deposits	21,318	22,165	20,593	21,730	23,992
Issued bonds	719,076	751,560	689,861	662,955	656,340
Hybrid core capital	3,699	3,730	3,794	3,705	3,788
Supplementary capital	4,983	4,985	4,986	4,986	6,107
Other liabilities	34,518	38,225	45,151	35,974	36,982
Equity	53,135	51,987	49,916	50,308	50,131
<b>Total liabilities and equity</b>	<b>926,837</b>	<b>957,164</b>	<b>895,319</b>	<b>860,504</b>	<b>851,621</b>
<b>FINANCIAL RATIOS</b>					
Profit for the period as a % of average equity pa	6.5	9.9	8.5	3.8	4.4
Core earnings before impairment losses as a % of average equity pa	6.9	8.8	6.4	5.8	4.7
Core earnings after impairment losses as a % of average equity pa	7.5	9.5	8.0	6.2	5.0
Costs as a % of core income	53.9	50.0	53.3	58.2	63.5
Total impairment provisions	338	406	487	703	739
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Capital adequacy ratio, %	11.6	11.8	11.1	11.7	12.3
Core capital ratio including hybrid core capital, %	10.9	11.0	10.2	10.8	11.2
Core capital ratio excluding hybrid core capital, %	10.1	10.2	9.4	10.0	10.3
Average number of full-time staff	3,564	3,559	3,393	3,390	3,385

## Financial highlights and ratios - five years

The Nykredit Realkredit Group	Q1/ 2007	Q1/ 2006	Q1/ 2005	Q1/ 2004	Q1/ 2003
<b>Income statement</b>					
Net interest income	1,530	1,284	1,394	1,178	1,161
Net fee income	48	216	213	117	275
<b>Net interest and fee income</b>	<b>1,578</b>	<b>1,500</b>	<b>1,607</b>	<b>1,295</b>	<b>1,436</b>
Net premiums earned	304	292	261	-	-
Value adjustments	351	98	396	502	(27)
Other operating income	143	42	42	44	32
Claims incurred, net of reinsurance	240	223	255	-	-
Staff and administrative expenses	933	885	736	669	608
Depreciation, amortisation and impairment losses for property plant and equipment as well as intangible assets	131	124	121	72	15
Other operating expenses	1	-	-	1	-
Impairment losses on loans and receivables	(72)	(37)	24	7	(1)
Profit/loss from investments in associates and group enterprises	5	(2)	(8)	74	55
<b>Profit before tax</b>	<b>1,148</b>	<b>735</b>	<b>1,162</b>	<b>1,166</b>	<b>874</b>
Tax	299	194	367	333	251
<b>Profit for the period</b>	<b>849</b>	<b>541</b>	<b>795</b>	<b>833</b>	<b>623</b>
	31.03.2007	31.03.2006	31.03.2005	31.03.2004	31.03.2003
<b>SUMMARY BALANCE SHEET</b>					
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	32,884	46,312	72,022	61,503	59,831
Mortgage loans	772,781	701,399	649,312	599,889	418,134
Bank loans – excl reverse transactions	34,086	21,950	18,495	18,639	20,481
Bonds and equities	62,376	58,425	44,569	77,580	75,527
Other assets	24,710	23,535	23,442	22,639	15,560
<b>Total assets</b>	<b>926,837</b>	<b>851,621</b>	<b>807,840</b>	<b>780,250</b>	<b>589,533</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	90,108	74,281	51,742	47,898	50,540
Deposits	21,318	23,992	19,845	15,406	12,672
Issued mortgage bonds	719,076	656,340	657,045	636,599	467,649
Hybrid core capital	3,699	3,788	3,858	-	-
Supplementary capital	4,983	6,107	2,378	2,602	-
Other liabilities	34,518	36,982	27,794	35,297	23,447
Equity	53,135	50,131	45,178	42,448	35,225
<b>Total liabilities and equity</b>	<b>926,837</b>	<b>851,621</b>	<b>807,840</b>	<b>780,250</b>	<b>589,533</b>
<b>FINANCIAL RATIOS <sup>1</sup></b>					
Profit before tax for the period as a % of average equity	2.8	3.4	3.0	2.8	2.5
Profit for the period as a % of average equity	2.2	2.9	2.2	2.0	1.8
Income:cost ratio, DKK	1.9	2.8	2.6	2.6	2.4
Foreign exchange position, %	1.8	1.1	1.0	1.3	1.5
Loans and advances:equity	15.3	14.6	15.0	15.0	12.5
Growth in loans and advances for the period, %	2.5	0.4	4.6	2.4	0.9
Impairment losses for the period, %	(0.0)	(0.0)	0.0	0.0	(0.0)
Capital adequacy ratio, %	11.6	12.3	11.2	10.4	10.7
Core capital ratio including hybrid core capital, %	10.9	11.2	10.8	10.0	10.9
Core capital ratio excluding hybrid core capital, %	10.1	10.3	9.9	10.0	10.9
Average number of full-time staff	3,564	3,385	3,266	3,208	3,057

Comparative figures for 2003 have not been adjusted on the transition to IFRS at 1 January 2005.

1) Financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority, which means that they are calculated based on profit for the period including value adjustment of strategic equities.

# Management Statement

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January-31 March 2007 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34

Copenhagen, 10 May 2007

## Executive Board

Peter Engberg Jensen,  
Group Chief Executive

Søren Holm,  
Group Managing Director

Karsten Knudsen,  
Group Managing Director

Per Ladegaard,  
Group Managing Director

Henning Kruse Petersen,  
Group Managing Director

Niels Tørslev,  
Group Managing Director

"Interim Financial Reporting" as adopted by the EU. The Interim Report of the Parent Company has 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.

## Board of Directors

Steen E. Christensen,  
Chairman

Hans Bang-Hansen,  
Deputy Chairman

K.E. Borup,  
Deputy Chairman

Kristian Bengaard

Michael Demsitz

John Finderup

Anette R. Fischer

In our opinion, the Q1 Interim Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 31 March 2007 and the results of the Group's and the Parent Company's activities as well as the Group's cash flows for the period 1 January-31 March 2007.

The Q1 Interim Report has not been audited.

Steffen Kragh

Allan Kristiansen

Henrik Laustsen

Susanne Møller Nielsen

Nina Smith

Jens Thomsen

Jens Erik Udsen

Leif Vinther

## Income statements for the period 1 January-31 March

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
Q1/2006	Q1/2007		Note	Q1/2007	Q1/2006
5,542	7,387	Interest income	1	10,266	8,082
4,765	6,576	Interest expense	2	8,736	6,798
777	811	<b>NET INTEREST INCOME</b>		<b>1,530</b>	<b>1,284</b>
126	32	Dividend on equities		32	128
216	167	Fee and commission income		299	357
52	51	Fee and commission expense		283	269
1,067	959	<b>NET INTEREST AND FEE INCOME</b>		<b>1,578</b>	<b>1,500</b>
-	-	Net premiums earned		304	292
939	429	Value adjustments	3	351	98
1	1	Other operating income		143	42
-	-	Claims incurred, net of reinsurance		240	223
624	551	Staff and administrative expenses	4	933	885
86	111	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	5	131	124
0	0	Other operating expenses		1	-
(31)	(60)	Impairment losses on loans and receivables	6	(72)	(37)
353	664	Profit/loss on investments in associates and group enterprises	7	5	(2)
1,681	1,451	<b>PROFIT BEFORE TAX</b>		<b>1,148</b>	<b>735</b>
236	302	Tax	8	299	194
1,445	1,149	<b>PROFIT FOR THE PERIOD</b>		<b>849</b>	<b>541</b>

## Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2006	31.03.2007		Note	31.03.2007	31.12.2006
<b>ASSETS</b>					
167	507	Cash balance and demand deposits with central banks		550	200
47,401	23,677	Receivables from credit institutions and central banks	9	32,334	57,316
451,924	454,906	Loans, advances and other receivables at fair value	10	776,175	761,638
166,063	146,712	Totalkredit mortgage loan funding	11	-	-
1,117	1,105	Loans, advances and other receivables at amortised cost	12	35,790	30,784
50,512	26,486	Bonds at fair value	13	52,824	79,371
<b>Equities</b>					
9,092	9,244	Fair value option		3,906	4,291
-	-	Available-for-sale		5,646	5,343
9,092	9,244	<b>Total</b>		9,552	9,634
142	144	Investments in associates		92	90
14,695	15,182	Investments in group enterprises		-	-
3,968	3,887	Intangible assets		3,932	4,001
<b>Land and buildings</b>					
-	-	Investment properties		72	72
344	351	Owner-occupied properties		1,549	1,528
344	351	<b>Total</b>		1,621	1,600
144	146	Other property, plant and equipment		258	260
38	0	Current tax assets		5	41
218	229	Deferred tax assets		243	232
6	4	Assets in temporary possession		4	86
8,147	7,524	Other assets	14	13,260	11,766
125	166	Prepayments		197	145
754,103	690,270	<b>TOTAL ASSETS</b>		926,837	957,164

## Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2006	31.03.2007		Note	31.03.2007	31.12.2006
<b>LIABILITIES AND EQUITY</b>					
38,101	32,960	Payables to credit institutions and central banks	15	90,108	84,512
-	-	Deposits and other payables	16	21,318	22,165
634,851	581,053	Issued bonds at fair value	17	719,076	751,560
13	13	Issued bonds at amortised cost	18	1,644	1,754
3,444	2,420	Other non-derivative financial liabilities at fair value		8,347	8,473
0	47	Current tax liabilities		283	101
16,491	11,513	Other liabilities	19	20,468	24,341
0	0	Deferred income		25	15
<b>Provisions</b>					
187	182	Provisions for pensions and similar obligations		204	212
788	772	Provisions for deferred tax		820	837
-	-	Insurance liabilities		1,964	1,696
162	129	Repayable reserves funded by pre-1972 series		129	162
629	629	Other provisions		634	634
<b>1,766</b>	<b>1,712</b>	<b>Total</b>		<b>3,751</b>	<b>3,541</b>
<b>Subordinate loan capital</b>					
7,450	7,417		20	8,682	8,715
<b>Equity</b>					
1,182	1,182	Share capital		1,182	1,182
<b>Accumulated changes in value</b>					
91	91	- Revaluation reserves		202	202
7	6	- Accumulated foreign currency translation adjustment of foreign entities		6	7
-	-	- Value adjustment of equities available-for-sale		2,936	2,636
<b>Other reserves</b>					
2,439	2,443	- Statutory reserves		-	-
23,336	23,336	- Reserves in series		23,336	23,336
24,932	26,077	Retained earnings		25,473	24,624
<b>51,987</b>	<b>53,135</b>	<b>Total equity</b>		<b>53,135</b>	<b>51,987</b>
<b>754,103</b>	<b>690,270</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>926,837</b>	<b>957,164</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
-	-	Guarantees	21	3,012	2,987
1,965	1,738	Other contingent liabilities		7,444	8,001
<b>1,965</b>	<b>1,738</b>	<b>TOTAL</b>		<b>10,456</b>	<b>10,988</b>
<b>Related party transactions and balances</b>					
			22		

## Statement of changes in equity

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Statutory reserves	Reserves in series	Other reserves	Retained earnings	Total
<b>2007</b>								
<b>Balance, beginning of period</b>	1,182	91	7	2,439	23,336	-	24,932	51,987
Adjustments relating to foreign entities	-	-	(1)	-	-	-	-	(1)
Profit for the period	-	-	-	-	-	-	1,149	1,149
<b>Total comprehensive income</b>	-	-	(1)	-	-	-	1,149	1,148
Adjustment relating to associates	-	-	-	4	-	-	(4)	0
<b>Total other adjustments</b>	-	-	-	4	-	-	(4)	0
<b>Balance, end of period</b>	1,182	91	6	2,443	23,336	-	26,077	53,135
<b>2006</b>								
<b>Balance, beginning of period</b>	1,182	82	6	1,004	22,597	3,632	18,636	47,139
Adjustment relating to owner-occupied properties	-	9	-	-	-	-	-	9
Adjustment relating to foreign entities	-	-	1	-	-	-	-	1
Profit for the year	-	-	-	1,408	-	-	3,338	4,746
<b>Total comprehensive income</b>	-	9	1	1,408	-	-	3,338	4,756
Transferred to retained earnings	-	-	-	-	-	(3,632)	3,632	-
Dividend from Nykredit Mægler A/S	-	-	-	(60)	-	-	60	-
Adjustment pursuant to capital adequacy rules	-	-	-	-	739	-	(739)	-
Transferred from provisions - pre-1972 series	-	-	-	-	-	-	12	12
Adjustment relating to associates	-	-	-	-	-	-	2	2
Adjustment relating to subsidiaries	-	-	-	87	-	-	(9)	78
<b>Total other adjustments</b>	-	-	-	27	739	(3,632)	2,958	92
<b>Balance, end of period</b>	1,182	91	7	2,439	23,336	-	24,932	51,987
The share capital is divided into shares of DKK 100.00 and multiples thereof. Nykredit Realkredit A/S has only one class of shares, and all shares confer the same rights on shareholders.								

## Statement of changes in equity

DKK million

The Nykredit Realkredit Group

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Value adjustment of equities available-for-sale	Reserves in series	Other reserves	Retained earnings	Total	Minority interests	Total
<b>2007</b>										
Balance, beginning of period	1,182	202	7	2,636	23,336	-	24,624	51,987	-	51,987
Adjustment of equities available-for-sale	-	-	-	300	-	-	-	300	-	300
Adjustments relating to foreign entities	-	-	(1)	-	-	-	-	(1)	-	(1)
Profit for the period	-	-	-	-	-	-	849	849	-	849
<b>Total comprehensive income</b>	-	-	(1)	300	-	-	849	1,148	-	1,148
<b>Balance, end of period</b>	<b>1,182</b>	<b>202</b>	<b>6</b>	<b>2,936</b>	<b>23,336</b>	<b>-</b>	<b>25,473</b>	<b>53,135</b>	<b>-</b>	<b>53,135</b>
<b>2006</b>										
Balance, beginning of period	1,182	115	6	1,217	22,597	3,632	18,390	47,139	1,553	48,692
Adjustment of equities available-for-sale	-	-	-	1,593	-	-	-	1,593	-	1,593
Realised gain relating to equities available-for-sale	-	-	-	(174)	-	-	-	(174)	-	(174)
Adjustment relating to owner-occupied properties	-	87	-	-	-	-	-	87	-	87
Adjustments relating to foreign entities	-	-	1	-	-	-	-	1	-	1
Profit for the year	-	-	-	-	-	-	3,327	3,327	-	3,327
<b>Total comprehensive income</b>	-	<b>87</b>	<b>1</b>	<b>1,419</b>	-	-	<b>3,327</b>	<b>4,834</b>	-	<b>4,834</b>
Acquisition of minority interests	-	-	-	-	-	-	-	-	(1,553)	(1,553)
Transferred to retained earnings	-	-	-	-	-	(3,632)	3,632	-	-	-
Adjustment pursuant to capital adequacy rules	-	-	-	-	739	-	(739)	-	-	-
Transferred from provisions - pre-1972 series	-	-	-	-	-	-	12	12	-	12
Adjustment relating to associates	-	-	-	-	-	-	2	2	-	2
<b>Total other adjustments</b>	-	-	-	-	<b>739</b>	<b>(3,632)</b>	<b>2,907</b>	<b>14</b>	<b>(1,553)</b>	<b>(1,539)</b>
<b>Balance, end of period</b>	<b>1,182</b>	<b>202</b>	<b>7</b>	<b>2,636</b>	<b>23,336</b>	<b>-</b>	<b>24,624</b>	<b>51,987</b>	<b>-</b>	<b>51,987</b>

## Core earnings and investment portfolio income

DKK million

## The Nykredit Realkredit Group

	Q1/2007			Q1/2006		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	1,557	(27)	1,530	1,220	64	1,284
Dividend on equities	-	32	32	-	128	128
Fee and commission income, net	34	(18)	16	103	(15)	88
<b>Net interest and fee income</b>	<b>1,591</b>	<b>(13)</b>	<b>1,578</b>	<b>1,323</b>	<b>177</b>	<b>1,500</b>
Net premiums earned	304	-	304	292	-	292
Value adjustments	224	127	351	155	(57)	98
Other operating income	98	45	143	42	-	42
Claims incurred, net of reinsurance	240	-	240	223	-	223
Staff and administrative expenses	933	-	933	885	-	885
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	131	-	131	124	-	124
Other operating expenses	1	-	1	-	-	-
Impairment losses on loans and advances	(72)	-	(72)	(37)	-	(37)
Profit/loss on equity investments	0	5	5	0	(2)	(2)
<b>Profit before tax</b>	<b>984</b>	<b>164</b>	<b>1,148</b>	<b>617</b>	<b>118</b>	<b>735</b>

## Cash flow statement

DKK million

	The Nykredit Realkredit Group	
	Q1/2007	Q1/2006
Profit after tax for the period	849	541
<b>Adjustment for non-cash operating items, depreciation, amortisation and impairment losses</b>		
Amortisation and impairment losses for intangible assets	105	106
Depreciation and impairment losses for property, plant and equipment	26	18
Value adjustment of investments	(5)	2
Impairment losses on loans and receivables	(72)	(37)
Prepayments/deferred income, net	(42)	(44)
Tax calculated on profit for the period	299	194
Other adjustments	299	898
<b>Total</b>	<b>610</b>	<b>1,137</b>
<b>Profit for the period adjusted for non-cash operating items</b>	<b>1,459</b>	<b>1,678</b>
<b>Change in working capital</b>		
Loans and advances	(19,471)	(2,758)
Deposits and payables to credit institutions	4,749	21,143
Issued mortgage bonds	(32,594)	(60,614)
Other working capital	(5,190)	(1,729)
<b>Total</b>	<b>(52,506)</b>	<b>(43,958)</b>
<b>Corporation tax paid, net</b>	<b>(103)</b>	<b>(208)</b>
<b>Cash flows from operating activities</b>	<b>(51,150)</b>	<b>(42,488)</b>
<b>Cash flows from investing activities</b>		
Investments	26,632	21,329
Intangible assets	(36)	(24)
Property, plant and equipment	(45)	(19)
<b>Total</b>	<b>26,551</b>	<b>21,286</b>
<b>Cash flows from financing activities</b>		
Subordinate loan capital	(33)	(150)
<b>Total</b>	<b>(33)</b>	<b>(150)</b>
<b>Total cash flows</b>	<b>(24,632)</b>	<b>(21,352)</b>
<b>Cash and cash equivalents, beginning of period</b>		
Cash balance and demand deposits with central banks	200	47
Receivables from credit institutions and central banks	57,316	67,617
<b>Total</b>	<b>57,516</b>	<b>67,664</b>
<b>Cash and cash equivalents, end of period</b>		
Cash balance and demand deposits with central banks	550	3,148
Receivables from credit institutions and central banks	32,334	43,164
<b>Total</b>	<b>32,884</b>	<b>46,312</b>

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
Q1/2006	Q1/2007		Q1/2007	Q1/2006
<b>1. INTEREST INCOME</b>				
661	1,688	Receivables from credit institutions and central banks	213	179
4,145	4,890	Loans, advances and other receivables	8,824	6,792
515	521	Administration margin (income)	900	833
<b>Bonds</b>				
213	243	– Own mortgage bonds	794	481
119	145	– Other mortgage bonds	129	239
21	82	– Government bonds	94	1
36	19	– Other bonds	49	65
<b>Derivative financial instruments</b>				
22	10	– Foreign exchange contracts	16	15
(5)	8	– Interest rate contracts	29	(65)
28	25	Other interest income	13	23
<b>5,755</b>	<b>7,631</b>	<b>Total</b>	<b>11,061</b>	<b>8,563</b>
(213)	(243)	Interest from own mortgage bonds has been offset against interest expense – note 2	(794)	(481)
-	(1)	Interest from own other securities and bonds has been offset against interest expense – note 2	(1)	-
<b>5,542</b>	<b>7,387</b>	<b>TOTAL</b>	<b>10,266</b>	<b>8,082</b>
<b>Of which interest income from genuine purchase and resale transactions entered as:</b>				
33	31	Receivables from credit institutions and central banks	120	72
-	-	Loans, advances and other receivables	51	26
<b>2. INTEREST EXPENSE</b>				
189	323	Credit institutions and central banks	820	427
-	-	Deposits and other payables	226	147
4,689	6,384	Issued bonds	8,350	6,581
72	83	Subordinate loan capital	98	92
28	30	Other interest expense	37	32
<b>4,978</b>	<b>6,820</b>	<b>Total</b>	<b>9,531</b>	<b>7,279</b>
(213)	(243)	Set-off of interest from own mortgage bonds – note 1	(794)	(481)
-	(1)	Set-off of interest from own other securities and bonds – note 1	(1)	-
<b>4,765</b>	<b>6,576</b>	<b>Total</b>	<b>8,736</b>	<b>6,798</b>
<b>Of which interest expense for genuine sale and repurchase transactions entered as:</b>				
33	110	Payables to credit institutions and central banks	253	94
-	-	Deposits and other payables	7	5

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2006	Q1/2007	Q1/2007	Q1/2006
<b>3. VALUE ADJUSTMENTS</b>			
<b>Financial assets measured at fair value through profit or loss</b>			
(7,133)	(1,103)	(669)	(12,526)
(1,288)	(143)	-	-
1	0	8	11
(559)	98	143	(1,116)
1,123	425	149	226
25	2	(206)	105
222	(91)	260	746
0	-	2	(1)
<b>Financial assets measured at fair value against equity</b>			
-	-	-	-
<b>Financial liabilities measured at fair value through profit or loss</b>			
7,260	1,098	521	12,653
1,288	143	143	-
<b>939</b>	<b>429</b>	<b>351</b>	<b>98</b>
<b>4. STAFF AND ADMINISTRATIVE EXPENSES</b>			
9	8	8	9
316	294	511	502
299	249	436	395
<b>624</b>	<b>551</b>	<b>955</b>	<b>906</b>
-	-	(22)	(21)
<b>624</b>	<b>551</b>	<b>933</b>	<b>885</b>
<b>Remuneration of Board of Directors and Executive Board</b>			
<b>Board of Directors</b>			
1	0	0	1
<b>Executive Board</b>			
7	7	7	7
1	1	1	1
<b>9</b>	<b>8</b>	<b>8</b>	<b>9</b>
The terms and conditions governing pension and retirement in relation to the Executive Board have not changed since the Annual Report for 2006, to which reference is made.			
<b>Staff expenses</b>			
264	246	425	421
31	31	52	45
21	17	34	36
<b>316</b>	<b>294</b>	<b>511</b>	<b>502</b>
<b>Number of staff</b>			
2,398	2,337	3,564	3,385

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2006	Q1/2007	Q1/2007	Q1/2006
		<b>5. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS</b>	
		<b>Intangible assets</b>	
76	102	105	106
-	-	-	-
		<b>Property, plant and equipment</b>	
10	9	26	18
-	-	-	-
-	-	-	-
<b>86</b>	<b>111</b>	<b>131</b>	<b>124</b>
		<b>6. IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES</b>	
		<b>6.a. Effect on profit/loss</b>	
(37)	(37)	(38)	(62)
0	(16)	(30)	4
11	5	9	28
(5)	(12)	(13)	(7)
<b>(31)</b>	<b>(60)</b>	<b>(72)</b>	<b>(37)</b>
0	0	0	0
0	0	0	0
<b>(31)</b>	<b>(60)</b>	<b>(72)</b>	<b>(37)</b>
		<b>6.b. Specification of provisions for loan impairment and guarantees</b>	
456	158	184	563
123	106	154	177
<b>579</b>	<b>264</b>	<b>338</b>	<b>740</b>
		<b>6.c. Individual impairment provisions</b>	
<b>493</b>	<b>195</b>	<b>222</b>	<b>625</b>
32	11	14	40
(58)	(45)	(46)	(73)
(11)	(3)	(6)	(29)
<b>456</b>	<b>158</b>	<b>184</b>	<b>563</b>

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
Q1/2006	Q1/2007		Q1/2007	Q1/2006
<b>6. IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES, CONTINUED</b>				
<b>6.d. Group-based impairment provisions</b>				
123	122	<b>Impairment provisions, beginning of period</b>	<b>184</b>	<b>173</b>
-	-	Foreign currency translation adjustment	0	0
-	-	Impairment provisions for the period	0	4
0	(16)	Reversal of impairment provisions	(30)	0
<b>123</b>	<b>106</b>	<b>Impairment provisions, end of period</b>	<b>154</b>	<b>177</b>
<b>6.e. Specification of loans and advances subject to objective indication of impairment</b>				
969	355	Loans and advances subject to <b>individual</b> impairment provisioning	400	1,107
456	158	Impairment provisions	184	563
<b>513</b>	<b>197</b>	<b>Loans and advances after impairment provisions</b>	<b>216</b>	<b>544</b>
4,671	6,495	Loans and advances subject to <b>group-based</b> impairment provisioning	12,687	9,615
123	106	Impairment provisions	154	177
<b>4,548</b>	<b>6,389</b>	<b>Loans and advances after impairment provisions</b>	<b>12,533</b>	<b>9,438</b>
<b>7. PROFIT/LOSS FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES</b>				
(2)	5	Profit/loss before tax from investments in associates	5	(2)
355	659	Profit before tax from investments in group enterprises	-	-
<b>353</b>	<b>664</b>	<b>Total</b>	<b>5</b>	<b>(2)</b>
<b>8. TAX</b>				
<b>Tax for the period can be specified as follows</b>				
134	132	Tax on profit for the period	210	194
99	170	Tax on profit in subsidiaries	89	-
3	-	Minority interests	-	-
<b>236</b>	<b>302</b>	<b>Total</b>	<b>299</b>	<b>194</b>
14.0	20.8	Effective tax rate, %	26.0	26.4

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2006	31.03.2007		31.03.2007	31.12.2006
		<b>9. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>		
19,353	1,029	Receivables at call with central banks	1,497	22,327
28,048	22,648	Receivables from credit institutions	30,837	34,989
<b>47,401</b>	<b>23,677</b>	<b>Total</b>	<b>32,334</b>	<b>57,316</b>
11,085	5,870	Of which prepaid funds, including prepayments at par and proceeds from the issuance of fixed-price agreements	7,292	18,420
		<b>10. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>		
451,893	454,853	Mortgage loans	772,781	758,132
31	53	Arrears and outlays	99	73
0	-	Other loans and advances	3,295	3,433
<b>451,924</b>	<b>454,906</b>	<b>Total</b>	<b>776,175</b>	<b>761,638</b>
		<b>Mortgage loans</b>		
<b>434,941</b>	<b>453,813</b>	<b>Balance, beginning of period, nominal value</b>	<b>766,011</b>	<b>695,171</b>
100,892	16,978	New loans	37,996	203,789
844	326	Indexation	326	844
194	(473)	Foreign currency translation adjustment	(473)	194
(13,967)	(2,330)	Ordinary principal payments	(3,515)	(19,014)
(69,091)	(10,419)	Prepayments and extraordinary principal payments	(18,999)	(114,973)
<b>453,813</b>	<b>457,895</b>	<b>Balance, end of period, nominal value</b>	<b>781,346</b>	<b>766,011</b>
(3)	-	Loans transferred relating to properties temporarily acquired	-	(3)
271	276	Loans assumed by the Danish Agency for Governmental Management	276	271
<b>454,081</b>	<b>458,171</b>	<b>Total, nominal value</b>	<b>781,622</b>	<b>766,279</b>
(2,054)	(3,210)	<b>Adjustment for interest rate risk</b>	<b>(8,733)</b>	<b>(8,011)</b>
		<b>Adjustment for credit risk</b>		
(118)	(98)	Individual impairment provisions	(98)	(119)
(16)	(10)	Group-based impairment provisions	(10)	(17)
<b>451,893</b>	<b>454,853</b>	<b>Balance, end of period, fair value</b>	<b>772,781</b>	<b>758,132</b>
22,340	22,708	Other than mortgages on real property, supplementary guarantees for loans have been received of	85,161	81,259
2,540	2,363	Total advance loan guarantees received	26,358	27,917
		<b>Arrears and outlays</b>		
209	207	Arrears before provisions for loan impairment	254	251
5	2	Outlays before provisions for loan impairment	2	5
(183)	(156)	Provisions for arrears and outlays	(157)	(183)
<b>31</b>	<b>53</b>	<b>Total</b>	<b>99</b>	<b>73</b>

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2006	31.03.2007		31.03.2007	31.12.2006
<b>11. TOTALKREDIT MORTGAGE LOAN FUNDING</b>				
64,443	168,889	<b>Balance, beginning of period, nominal value</b>		
118,526	21,420	New loans		
(496)	(225)	Ordinary principal payments		
(13,584)	(40,402)	Prepayments and extraordinary principal payments		
<b>168,889</b>	<b>149,682</b>	<b>Balance, end of period, nominal value</b>		
(2,826)	(2,970)	Adjustment for interest rate risk		
<b>166,063</b>	<b>146,712</b>	<b>Balance, end of period, fair value</b>		
<b>12. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST</b>				
-	-	Bank loans and advances	34,085	28,983
1,229	1,216	Other loans and advances	1,816	1,913
<b>1,229</b>	<b>1,216</b>	<b>Total</b>	<b>35,901</b>	<b>30,896</b>
(112)	(111)	Own other securities have been offset against "Issued bonds at amortised cost" - note 19	(111)	(112)
<b>1,117</b>	<b>1,105</b>	<b>Total</b>	<b>35,790</b>	<b>30,784</b>
<b>13. BONDS AT FAIR VALUE</b>				
93,901	31,084	Own mortgage bonds	66,322	164,679
37,110	12,489	Other mortgage bonds	30,120	52,354
11,442	12,285	Government bonds	18,884	17,407
1,960	1,712	Other bonds	4,126	9,889
<b>144,413</b>	<b>57,570</b>	<b>TOTAL</b>	<b>119,452</b>	<b>244,329</b>
(93,901)	(31,084)	Set-off of own mortgage bonds against "Issued bonds at fair value" - note 18	(66,322)	(164,679)
-	-	Set-off of own "Other bonds" against "Issued bonds at amortised cost" - note 19	(306)	(279)
<b>50,512</b>	<b>26,486</b>	<b>TOTAL</b>	<b>52,824</b>	<b>79,371</b>
178	106	Of which drawn bonds	345	811
69,437	2,468	Bond holdings stemming from prepaid funds, including prepayments at par and proceeds from the issuance of fixed-price agreements	2,498	80,634
28,848	23,320	As collateral security for the Danish central bank, Danmarks Nationalbank, the Danish FUTOP Clearing Centre and foreign clearing centres, bonds have been deposited of a total market value of Collateral security has been provided on standard industry and market terms.	47,913	54,547

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2006	31.03.2007		31.03.2007	31.12.2006
<b>14. OTHER ASSETS</b>				
5,266	4,505	Interest and commission receivable	6,317	5,442
945	956	Receivables from group enterprises	-	-
1,726	1,916	Positive market value of derivative financial instruments	6,385	5,823
70	70	Defined benefit plans	70	70
-	-	Receivable relating to reinsurance	123	75
140	77	Other assets	365	356
<b>8,147</b>	<b>7,524</b>	<b>Total</b>	<b>13,260</b>	<b>11,766</b>
<b>15. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
27,915	23,976	Payables to credit institutions	58,524	54,517
10,186	8,984	Payables to central banks	31,584	29,995
<b>38,101</b>	<b>32,960</b>	<b>Total</b>	<b>90,108</b>	<b>84,512</b>
<b>16. DEPOSITS AND OTHER PAYABLES</b>				
-	-	On demand	11,698	13,557
-	-	At notice	680	0
-	-	Time deposits	8,240	7,871
-	-	Special deposits	700	737
-	-	<b>Total</b>	<b>21,318</b>	<b>22,165</b>
<b>17. ISSUED BONDS AT FAIR VALUE</b>				
629,545	712,340	Balance, beginning of period, nominal value	902,957	882,111
310,600	41,989	Additions	42,010	335,995
(44)	(6)	Foreign currency translation adjustment	(6)	(45)
(173,457)	(145,869)	Bonds drawn and cancelled	(155,445)	(236,833)
(54,304)	(10,942)	Prepayments and extraordinary principal payments	(16,190)	(78,271)
<b>712,340</b>	<b>597,512</b>	<b>Total</b>	<b>773,326</b>	<b>902,957</b>
21,399	20,949	Indexation	20,949	21,399
<b>733,739</b>	<b>618,461</b>	<b>Balance, end of period, nominal value</b>	<b>794,275</b>	<b>924,356</b>
4,281	(4,988)	Fair value adjustment, beginning of period	(8,118)	4,292
(9,268)	(1,336)	Fair value adjustment	(759)	(12,409)
<b>728,752</b>	<b>612,137</b>	<b>Balance, end of period, fair value</b>	<b>785,398</b>	<b>916,239</b>
93,901	(31,084)	Own mortgage bonds transferred from "Bonds at fair value" – note 13	(66,322)	164,679
<b>634,851</b>	<b>581,053</b>	<b>Total</b>	<b>719,076</b>	<b>751,560</b>
1,086	1,425	Of which pre-issuance	1,425	1,093
146,734	7,397	Drawn for redemption at next creditor settling date	8,747	146,734

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2006	31.03.2007		31.03.2007	31.12.2006
<b>18. ISSUED BONDS AT AMORTISED COST</b>				
-	-	Corporate bonds	1,937	2,020
13	13	Employee bonds	13	13
112	111	Other securities	111	112
<b>125</b>	<b>124</b>	<b>Total</b>	<b>2,061</b>	<b>2,145</b>
-	-	Own other bonds transferred from "Bonds at fair value" – note 13	(306)	(279)
(112)	(111)	Own other bonds transferred from "Loans, advances and other receivables at amortised cost" – note 12	(111)	(112)
<b>13</b>	<b>13</b>	<b>Total</b>	<b>1,644</b>	<b>1,754</b>
<b>19. OTHER LIABILITIES</b>				
12,945	6,927	Interest and commission payable	11,782	17,275
537	460	Negative market value of derivative financial instruments	4,057	3,393
2,441	2,461	Payables relating to the purchase of Totalkredit shares	2,461	2,441
568	1,665	Other payables	2,168	1,232
<b>16,491</b>	<b>11,513</b>	<b>Total</b>	<b>20,468</b>	<b>24,341</b>
<b>20. SUBORDINATE LOAN CAPITAL</b>				
Subordinate loan capital consists of liabilities which, in case of voluntary or compulsory liquidation, will not be repaid until after the claims of ordinary creditors have been met.				
EUR 500m (nominal) of hybrid core capital in accordance with section 137 of the Danish Financial Business Act. The loan is perpetual, but may be redeemed at par (100) from 22 September 2014. The loan carries a fixed interest rate of 4.9% up to 22 September 2014 after which it will carry a floating interest rate				
3,730	3,699		3,699	3,730
EUR 500m (nominal) of subordinate loan capital in accordance with section 136 of the Danish Financial Business Act. The loan falls due at par (100) on 20 September 2013 and carries a floating interest rate				
3,720	3,718		3,718	3,720
EUR 200m (nominal) of subordinate loan capital in accordance with section 136 of the Danish Financial Business Act. The loan falls due at par (100) on 17 December 2010 and carries a floating interest rate				
-	-		1,265	1,265
<b>7,450</b>	<b>7,417</b>	<b>Total</b>	<b>8,682</b>	<b>8,715</b>
7,450	7,417	Subordinate loan capital to be included in the capital base	8,682	8,715
0	-	Extraordinary principal payments and repayment of subordinate loan capital in the financial period	-	1,118

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2006	31.03.2007	31.03.2007	31.12.2006
<b>21. CONTINGENT LIABILITIES</b>			
<p>The size and business scope of the Nykredit Realkredit Group continuously involve the Group in different legal proceedings. For a description of significant cases, please refer to the Management Review. Other pending cases are not expected to have a significant effect on the Nykredit Realkredit Group's financial position.</p> <p>Nykredit Realkredit A/S is jointly and severally liable for the payment of previous years' corporation tax in the companies subject to joint taxation before 2005. From 2005 all Danish consolidated companies are subject to joint taxation. From 2005 Foreningen Nykredit will act as administration company regarding the joint taxation. The liability relating to corporation tax exclusively concerns the part of the tax attributable to Nykredit Realkredit A/S as such and amounts received from subsidiaries for the purpose of the joint settlement.</p> <p>The companies Nykredit Realkredit A/S, Totalkredit A/S, Nykredit Bank A/S, Nykredit Forsikring A/S, Nykredit Portefølje Bank A/S and Nykredit Portefølje Adm. A/S have been registered jointly where payroll tax and VAT are concerned and are jointly liable for the settlement thereof.</p> <p>Nykredit Forsikring A/S and the rest of the owners of FDC K/S are jointly liable for obligations entered into by FDC K/S. The obligation has a maximum limit of DKK 70m.</p> <p>Nykredit Realkredit A/S is liable for the obligations of the pension funds Jyllands Kreditforenings Afviklingspensionskasse (SE no 24256219) and Den under afvikling værende Pensionskasse i Forenede Kreditforeninger (SE no 71977714).</p> <p>Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheet are presented below.</p>			
-	-	3,012	2,987
1,965	1,738	7,444	8,001
<b>1,965</b>	<b>1,738</b>	<b>10,456</b>	<b>10,988</b>
<b>Guarantees</b>			
-	-	953	947
-	-	17	0
-	-	2,042	2,040
-	-	<b>3,012</b>	<b>2,987</b>
<b>Other contingent liabilities</b>			
48	38	6,080	6,286
1,917	1,700	1,364	1,715
<b>1,965</b>	<b>1,738</b>	<b>7,444</b>	<b>8,001</b>

# Notes

The Nykredit Realkredit Group

## 22. RELATED PARTY TRANSACTIONS AND BALANCES

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

No unusual related party transactions occurred in Q1/2007.

The companies have entered into various agreements as a natural part of the Group's day-to-day operations. The agreements typically involve finance, insurance, sales commission, tasks relating to IT support and IT development projects as well as other joint tasks.

Intercompany trade and services took place on an arm's length basis.

Significant related party transactions prevailing/entered into in Q1/2007 include:

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

Master agreement on the terms applicable to transactions in the securities area.

Agreement on joint funding of mortgage loans.

### **Agreements between Nykredit Realkredit A/S and Nykredit Mægler A/S**

Agreements on commission payable in connection with referral of lending business.

### **Agreements between Nykredit Realkredit A/S and Nykredit Forsikring A/S**

Agreement on the employment of insurance agents at Nykredit Realkredit A/S centres, sales commission to Nykredit centres and agreement on the management of certain investments.

### **Agreements between Nykredit Realkredit A/S and JN Data A/S**

Agreements on joint IT support, etc.

### **Agreements between Nykredit Holding A/S and Nykredit Bank A/S**

On specific occasions, Nykredit Holding A/S has issued guarantees or letters of comfort to third parties.

Nykredit Holding A/S has issued guarantees to Nykredit Bank A/S covering pre-fixed loss amounts with respect to some of the Bank's exposures.

### **Agreements between Totalkredit A/S and Nykredit Mægler A/S**

Agreements on commission payable in connection with referral of lending business.

# Group structure

DKK million

The Nykredit Realkredit Group

GROUP STRUCTURE	Ownership as a % at 31.03.07	Profit for the period Q1/2007	Equity at 31.03.07	Profit for the year 2006	Equity at 31.12.06
<b>Name and registered office</b>					
<b>The Nykredit Realkredit Group</b>					
Nykredit Realkredit A/S, Copenhagen a)					
<b>Consolidated subsidiaries</b>					
Totalkredit A/S, Taastrup a)	100	171	8,146	595	7,975
Nykredit Bank A/S, Copenhagen b)	100	231	4,472	627	4,241
Nykredit Finance plc, Plymouth i)	100	0	30	0	30
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen e)	100	0	26	1	26
Nykredit Pantebrevsinvestering A/S, Copenhagen e)	100	0	10	0	10
Nykredit Portefølje Bank A/S, Copenhagen b)	100	10	157	37	147
Nykredit Leasing A/S, Copenhagen h)	100	0	6	1	6
Norswood Properties Limited, Plymouth i)	100	0	0	0	0
Nykredit Forsikring A/S, Copenhagen c)	100	31	1,832	170	1,801
Nykredit Mægler A/S, Århus f)	100	9	110	39	101
Nykredit Ejendomme A/S, Copenhagen g)	100	47	496	61	450
Nykredit Adm. V A/S, Copenhagen i)	100	0	1	0	1
Dene Finance S.A., under liquidation, Warsaw j)	100	0	126	0	126
Nykredit Fixed Income Opportunities Fund Ltd, Cayman Island d)	100	4	117	1	113
<b>Associates subject to proportionate consolidation</b>					
Dansk Pantebrevsbørs A/S, Copenhagen e)	50	6	54	27	48
LeasIT A/S, Lyngby-Taarbæk h)	22.7	3	71	(8)	70
JN Data A/S, Silkeborg k)	50	0	103	0	103
a) Mortgage bank					
b) Bank					
c) Insurance company					
d) Financial enterprise					
e) Mortgage trading company					
f) Estate agency business					
g) Property company					
h) Leasing business					
i) No activity					
j) Under liquidation					
k) IT business					
The consolidated financial statements of Nykredit Holding A/S and Foreningen Nykredit include Nykredit Realkredit A/S.					
The financial statements of Foreningen Nykredit and Nykredit Holding A/S are available in Danish from Nykredit Realkredit A/S Kalvebod Brygge 1-3 DK-1780 Copenhagen V					