

To NASDAQ OMX Copenhagen A/S  
and the press

20 August 2013

## H1 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY – 30 JUNE 2013

- 8% growth in core income to DKK 5,037m compared with H1/2012
- Core earnings after impairment losses of DKK 1,233m against DKK 936m in H1/2012
- Investment portfolio income of DKK 999m against DKK 1,533m in H1/2012
- Profit before tax of DKK 2,006m against DKK 2,238m in H1/2012
  
- Total core income grew 8% to DKK 5,037m
  - Core income from business operations increased by 1%
  - Other core income rose markedly due to positive value adjustment of financial derivatives in particular
- In H1/2013 nominal mortgage lending and bank lending improved by almost DKK 6bn to DKK 1,164bn
  - Gross new mortgage lending came to DKK 62bn compared with an exceptionally high level of DKK 129bn in H1/2012
- Operating costs, depreciation and amortisation, excluding special value adjustments, were down 2% to DKK 2,839m
  - Costs as a percentage of core income from business operations declined to 55.1% from 56.6% in H1/2012
- Impairment losses on loans and advances stood at DKK 929m, equal to 0.08%
  - Impairment losses on mortgage lending came to 0.07%, which was unchanged on H1/2012
  - 75-day mortgage arrears declined from 0.57% in H1/2012 to 0.47%
  - Impairment losses on bank lending went down from 0.24% to 0.15%
- The sale of strategic equities had a positive impact on investment portfolio income. Accordingly, the income should be seen in the context of value adjustment and reclassification of strategic equities against equity totalling a DKK 474m charge after tax.

### The Nykredit Realkredit Group Financial highlights

	H1/ 2013	H1/ 2012	Change %	FY 2012
DKK million				
Core income	5,037	4,643	8	8,909
- from business operations	5,151	5,102	1	10,200
Operating costs, depreciation and amortisation	2,839	2,890	-2	5,776
Core earnings before impairment losses	2,162	1,927	12	3,315
Loan impairment losses	929	991	-6	2,149
Core earnings after impairment losses	1,233	936	32	1,166
Investment portfolio income	999	1,533	-35	2,444
Profit before tax	2,006	2,238	-10	3,145
Core Tier 1 capital ratio, %	16.6	14.5	-	15.8

Peter Engberg Jensen, Group Chief Executive, has the following comments:

*"Nykredit's positive business development continued in H1/2013, and all areas are trending in the right direction. Total core income grew by more than 8%, costs were cut by 2%, and impairment losses declined to DKK 929m, or 0.08% of total loans and advances.*

*Impairment losses have not exceeded 0.10% for any half-year since 2010.*

*Nykredit's robust capital structure includes equity of DKK 58.6bn. The development in H1/2013 was another step towards securing the equity level of DKK 70bn that the new capital rules are expected to require in 2019, based on Nykredit's existing business volume."*

#### Contacts:

Peter Engberg Jensen, Group Chief Executive, or Nels Petersen, Head of Corporate Communications,  
tel +45 44 55 14 70 or +45 20 22 22 72.

Nykredit Realkredit A/S  
Kalvebod Brygge 1-3  
DK-1780 Copenhagen V  
Tel +45 44 55 10 00  
www.nykredit.com  
CVR no 12 71 92 80

## FINANCIAL HIGHLIGHTS

DKK million	The Nykredit Realkredit Group		
	H1/2013	H1/2012	FY 2012
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>			
<b>Core income from</b>			
- business operations	5,151	5,102	10,200
- value adjustment of derivatives and corporate bonds	56	(438)	(1,067)
- junior covered bonds	(233)	(186)	(436)
- securities	63	165	212
<b>Total</b>	<b>5,037</b>	<b>4,643</b>	<b>8,909</b>
Operating costs, depreciation and amortisation, excl special value adjustments	2,839	2,890	5,776
Operating costs, depreciation and amortisation – special value adjustments <sup>1</sup>	(1)	(177)	(205)
Payment to the Guarantee Fund for Depositors and Investors	37	3	23
<b>Core earnings before impairment losses</b>	<b>2,162</b>	<b>1,927</b>	<b>3,315</b>
Impairment losses on loans and advances – mortgage lending	763	743	1,592
Impairment losses on loans and advances – banking	166	248	557
<b>Core earnings after impairment losses</b>	<b>1,233</b>	<b>936</b>	<b>1,166</b>
Investment portfolio income	999	1,533	2,444
<b>Profit before cost of capital</b>	<b>2,232</b>	<b>2,469</b>	<b>3,610</b>
Net interest on hybrid capital	(226)	(231)	(465)
<b>Profit before tax</b>	<b>2,006</b>	<b>2,238</b>	<b>3,145</b>
Tax	316	537	575
<b>Profit for the period</b>	<b>1,690</b>	<b>1,701</b>	<b>2,570</b>
<b>Total value adjustment and reclassification of strategic equities against equity</b>	<b>(474)</b>	<b>70</b>	<b>(237)</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>			
	30.06.2013	30.06.2012	31.12.2012
<b>Assets</b>			
Receivables from credit institutions and central banks	38,859	61,440	60,174
Mortgage loans at fair value	1,133,557	1,120,214	1,136,445
Bank loans – excluding reverse transactions	50,354	55,203	49,728
Bonds and equities	70,579	95,773	82,413
Remaining assets	111,029	101,002	104,645
<b>Total assets</b>	<b>1,404,378</b>	<b>1,433,632</b>	<b>1,433,405</b>
<b>Liabilities and equity</b>			
Payables to credit institutions and central banks	49,319	100,888	67,539
Deposits	63,245	55,281	54,509
Issued bonds at fair value	1,086,408	1,066,902	1,103,818
Subordinated debt – hybrid capital	11,085	11,253	11,281
Remaining liabilities	135,694	142,424	138,702
Equity	58,627	56,884	57,556
<b>Total liabilities and equity</b>	<b>1,404,378</b>	<b>1,433,632</b>	<b>1,433,405</b>
<b>FINANCIAL RATIOS</b>			
Profit for the period as % of average equity pa	5.8	6.0	4.6
Core earnings before impairment losses as % of average equity pa	7.4	6.8	5.9
Core earnings after impairment losses as % of average equity pa	4.2	3.3	2.1
Costs as % of core income from business operations	55.1	56.6	56.6
Total provisions for loan impairment – mortgage lending	3,212	2,726	2,954
Total provisions for loan impairment and guarantees – banking	4,113	4,385	4,139
Impairment losses for the period, % – mortgage lending	0.07	0.07	0.14
Impairment losses for the period, % – banking	0.15	0.24	0.59
Total capital ratio, %	20.0	17.5	19.1
Core Tier 1 capital ratio, %	16.6	14.5	15.8
Average number of full-time staff	4,049	4,124	4,115

<sup>1</sup> Special value adjustments include value adjustment of certain staff benefits and owner-occupied properties as well as adjustment of a provision relating to Dansk Pantebrevsbørs under konkurs (in bankruptcy).

# H1 INTERIM REPORT 2013

## NYKREDIT REALKREDIT GROUP RESULTS

Profit before tax was DKK 2,006m against DKK 2,238m in H1/2012.

Group results included more than 5% growth in core income from customer activities, excluding Nykredit Markets. To this should be added declining costs, lower impairment losses on loans and advances and investment portfolio income of DKK 999m compared with the exceptionally high level of DKK 1,533m in H1/2012.

Value adjustment of derivatives resulted in a credit of DKK 56m against a net charge of DKK 438m in H1/2012.

By contrast, results were adversely affected by lower earnings in Nykredit Markets caused by subdued market activity.

The Group posted a profit after tax of DKK 1,690m. Equity amounted to DKK 58,627m at end-H1/2013 after value adjustment and reclassification of strategic equities resulting in a charge of DKK 474m.

### Core earnings

#### *Core income from business operations*

Core income from business operations improved by 1%, or DKK 49m, to DKK 5,151m relative to H1/2012.

Core income from mortgage operations increased by 5% to DKK 3,364m from DKK 3,201m in H1/2012. The increase was an effect of a larger loan portfolio and higher administration margins introduced in 2012.

Gross new mortgage lending totalled DKK 62bn, of which lending to personal customers and small and medium-sized enterprises (SMEs) accounted for DKK 38bn and DKK 12bn, respectively. Gross lending of DKK 129bn in H1/2012 was affected by exceptionally high lending activity in response to the declining interest rate level, which prompted many homeowners to remortgage.

Group nominal mortgage lending went up by DKK 5bn to DKK 1,114bn compared with the beginning of the year. Of the uplift, 56% derived from the business areas Retail and Totalkredit Partners, while 44% stemmed from Wholesale.

Core income from banking operations was down by DKK 128m, or 7%, to DKK 1,696m relative to H1/2012. The downturn was mainly brought about by a decline in income from SMEs and lower activity in Nykredit Markets. Overall, other business units performed on a level with H1/2012.

Loan demand continued to be relatively slack. The Group's bank lending increased by DKK 0.6bn to DKK 50.4bn in H1/2013. Deposits grew by DKK 8.7bn to DKK 63.2bn in H1/2013. The Bank recorded a deposit surplus of DKK 12.9bn at end-H1/2013 against DKK 4.8bn at the beginning of the year.

#### *Value adjustment of derivatives and corporate bonds*

In H1/2013, value adjustment of financial derivatives generated a credit of DKK 50m, which was notably the effect of a marginal interest rate rise, reducing the underlying market values. Compared with

H1/2012, when value adjustments resulted in a charge of DKK 454m, this represented a positive impact of DKK 504m.

As Nykredit's interest rate swaps have typically been entered into on a hedged basis, the net interest rate exposure is very modest.

Furthermore, value adjustment of corporate bonds came to DKK 6m in H1/2013 compared with DKK 16m in H1/2012.

#### *Junior covered bonds*

Nykredit had issued junior covered bonds of a total nominal value of DKK 43.6bn at end-H1/2013 against DKK 44.5bn at the beginning of 2013, which implied net interest expenses of DKK 233m. In H1/2012 net interest expenses amounted to DKK 186m for a nominal value of DKK 45.6bn against DKK 31.4bn at the beginning of 2012. Junior covered bonds are used to fund supplementary collateral for covered bonds (SDOs).

#### *Core income from securities*

Core income from securities amounted to DKK 63m compared with DKK 165m in H1/2012. This development resulted from a change in the risk-free interest rate, which fell from 0.65% in H1/2012 to 0.25%. The risk-free interest rate equals the Danish central bank's average lending rate.

#### *Operating costs, depreciation and amortisation, excl special value adjustments*

The Group's costs excluding special value adjustments declined by 1.8% to DKK 2,839m compared with H1/2012. Costs as a percentage of core income from business operations totalled 55.1% against 56.6% for the financial year 2012.

#### *Operating costs, depreciation and amortisation – special value adjustments*

Under special value adjustments, a net credit of DKK 1m was reported compared with a net credit of DKK 177m in H1/2012.

#### *Commission – Guarantee Fund for Depositors and Investors*

Payments to the Danish Guarantee Fund for Depositors and Investors amounted to DKK 37m, up from DKK 3m in H1/2012.

#### *Impairment losses on loans and advances*

The Group's impairment losses on loans and advances came to DKK 929m against DKK 991m in H1/2012. Impairment losses equalled 0.08% of total mortgage and bank lending.

The Group's impairment losses on mortgage lending amounted to DKK 763m, corresponding to 0.07%, against DKK 743m in H1/2012.

Of impairment losses for the period, DKK 462m, or 0.07% of lending, was related to personal customers against DKK 620m in H1/2012. The Group's impairment losses on lending to commercial customers were DKK 301m, equal to 0.07%, compared with DKK 123m in H1/2012.

Impairment losses on bank lending remained low at DKK 166m, equal to 0.15%, against DKK 248m in H1/2012.

Impairment losses on lending to personal customers were DKK 5m, which level was very low compared with DKK 71m in H1/2012.

Impairment losses on lending to commercial customers were down from DKK 177m to DKK 161m in H1/2013. Of impairment losses for the period, 64% resulted from SMEs, while reversal of impairment provisions relating to the portfolio of terminated exposures produced net income of DKK 13m.

#### **Investment portfolio income**

Investment portfolio income came to DKK 999m against DKK 1,533m in the same period the year before.

Of income in H1/2013, DKK 697m was a profit from the sale of strategic equities, which under current accounting rules must be recognised as income at cost. About half the profit derived from the sale of Nykredit's shareholding in Jeudan A/S. Owing to the profit on the sale of strategic equities, investment portfolio income should be seen in the context of the negative value adjustment and reclassification of these equities against equity. When strategic equities are sold, gains from previous periods are recognised as income, and a corresponding negative adjustment against equity is made.

Investment portfolio income from bonds, liquidity, interest rate instruments and subordinated capital instruments was DKK 247m, of which net value adjustment of issued junior covered bonds was a charge of DKK 200m. The negative value adjustment of junior covered bonds reflects the positive fact that the funding rate has decreased, leading to a higher market value of already issued junior covered bonds.

Investment portfolio income from equities and equity instruments value adjusted through profit or loss was DKK 55m.

Nykredit's securities portfolio mainly consists of short-term, high-rated Danish and other European covered bonds and credit bonds.

The interest rate risk relating to the bond portfolio was largely eliminated through offsetting government bond sales or the use of interest rate derivatives.

#### **Net interest on hybrid capital**

Net interest expenses amounted to DKK 226m in H1/2013, which was unchanged on the same period in 2012.

#### **Tax**

Tax calculated on profit for the year was DKK 316m, equal to an effective tax rate of 15.8%.

The Group's tax rate was influenced by a tax-free profit on equities. Adjusted for this, the tax rate was 22.0% for H1/2013.

#### **Subsidiaries**

##### *Nykredit Bank*

The Nykredit Bank Group posted a profit before tax of DKK 577m against a profit of DKK 302m in H1/2012. Reference is made to the H1 Interim Report 2013 of the Nykredit Bank Group.

##### *Totalkredit*

Totalkredit recorded a profit before tax of DKK 296m compared with DKK 344m in the same period the year before. Reference is made to the H1 Interim Report 2013 of Totalkredit A/S.

#### **Q2/2013 results**

The Group recorded a profit before tax of DKK DKK 1,083m against DKK 923m in Q1/2013.

Compared with the first quarter of the year, pre-tax profit grew by DKK 160m, which was chiefly the outcome of lower impairment losses on loans and advances totalling DKK 242m against DKK 687m in Q1/2013 and lower investment portfolio income of DKK 331m compared with DKK 668m in Q1/2013.

Special value adjustments generated a net credit of DKK 34m in Q2/2013 compared with a net charge of DKK 33m in Q1/2013. Of the net credit in Q2/2013, DKK 30m stemmed from the partial reversal of a provision previously made in relation to Dansk Pantebrevsbørs A/S under konkurs (in bankruptcy).

#### **OUTLOOK FOR 2013**

The Group's expectations for the full year are unchanged compared with its guidance at the 2012 full year results. Investment portfolio income will, however, be favourably affected by reclassification of profit following the sale of strategic equities.

## BUSINESS AREAS

The Group is organised into the following business areas:

- Retail, which comprises Nykredit's personal customers and SMEs.  
The business area includes mortgage lending to Nykredit's personal customers arranged via Totalkredit
- Totalkredit Partners, which arranges the Group's mortgage loans to personal customers via local and regional banks
- Wholesale, which comprises Corporate & Institutional Banking and the business units Nykredit Markets and Nykredit Asset Management.

Further, Group Items comprises income and costs not allocated to the business areas, including core income from securities and investment portfolio income.

Gross income from customer business is allocated to the business area which has supplied the underlying products (Nykredit Markets and Nykredit Asset Management). Income which may be attributed to the sales activities of Retail and Corporate & Institutional Banking is subsequently reallocated in full. Correspondingly, the related costs are reallocated from Nykredit Markets and Nykredit Asset Management to Retail and Corporate & Institutional Banking.

Group core earnings after impairment losses amounted to DKK 1,233m against DKK 936m in H1/2012. The development reflected growth in core earnings from Retail and Totalkredit Partners, whereas lower activity in Nykredit Markets produced a downturn in the business area Wholesale.

Nominal mortgage lending improved by DKK 5bn to DKK 1,114bn on the beginning of the year. In H1/2013, the Nykredit Realkredit Group's gross new lending amounted to DKK 62bn, of which DKK 38bn to personal customers.

The Group's share of total Danish mortgage lending was 43.1%, which was unchanged on end-H1/2012. The market share was 47.3% for the private residential segment and 37.3% for the commercial segment, which was on a level with end-H1/2012.

At end-H1/2013, bank lending was DKK 50.4bn, up DKK 0.6bn on the beginning of the year. The increase derived from a DKK 1.8bn rise in Wholesale lending, whereas Retail lending fell by DKK 1.2bn. Bank deposits were up DKK 8.7bn to DKK 63.2bn at end-H1/2013, in part due to a rise in Wholesale and Retail deposits of DKK 5.4bn and DKK 3.9bn, respectively.

### Results by business area<sup>1</sup>

DKK million	Retail	Totalkredit Partners	Wholesale	Group Items	Total
<b>H1/2013</b>					
<b>Core income from</b>					
- customer activities, gross	2,736	836	1,581	(2)	5,151
- payment for distribution	331	-	(331)	-	-
<b>Total business operations</b>	<b>3,067</b>	<b>836</b>	<b>1,250</b>	<b>(2)</b>	<b>5,151</b>
- value adjustment of derivatives and corporate bonds	85	-	(29)	-	56
- junior covered bonds	(78)	(143)	(12)	-	(233)
- securities	-	-	-	63	63
<b>Total</b>	<b>3,074</b>	<b>693</b>	<b>1,209</b>	<b>61</b>	<b>5,037</b>
Operating costs	1,569	210	400	313	2,492
Depreciation of property, plant and equipment and amortisation of intangible assets	5	258	5	258	3
<b>Core earnings before impairment losses</b>	<b>1,500</b>	<b>225</b>	<b>806</b>	<b>(369)</b>	<b>2,162</b>
Impairment losses on loans and advances	623	239	68	(1)	929
<b>Core earnings after impairment losses</b>	<b>877</b>	<b>(14)</b>	<b>738</b>	<b>(368)</b>	<b>1,233</b>
Investment portfolio income <sup>2</sup>	-	-	-	999	999
<b>Profit (loss) before cost of capital</b>	<b>877</b>	<b>(14)</b>	<b>738</b>	<b>631</b>	<b>2,232</b>
Net interest on hybrid capital	-	-	-	-	-
<b>Profit (loss) before tax</b>	<b>877</b>	<b>(14)</b>	<b>738</b>	<b>405</b>	<b>2,006</b>
<b>Return</b>					
Average business capital, DKK <sup>3</sup>	12,012	7,784	5,221	6,692	31,709
Core earnings after impairment losses as % of average business capital <sup>3</sup>	14.7	(0.4)	28.5	-	7.8
<b>H1/2012</b>					
<b>Core earnings after impairment losses</b>	<b>413</b>	<b>(66)</b>	<b>754</b>	<b>(165)</b>	<b>936</b>
<b>Return</b>					
Average business capital, DKK <sup>3</sup>	11,520	7,906	6,464	7,626	33,516
Core earnings after impairment losses as % of average business capital <sup>3</sup>	7.2	(1.7)	23.5	-	5.6

<sup>1</sup> Please refer to note 4 in this report for complete segment financial statements with comparative figures.

<sup>2</sup> Investment portfolio income includes profit from the sale of investments in associates of DKK 27m against DKK 9m in 2012.

<sup>3</sup> Business capital has been determined as Nykredit's ICAAP result.

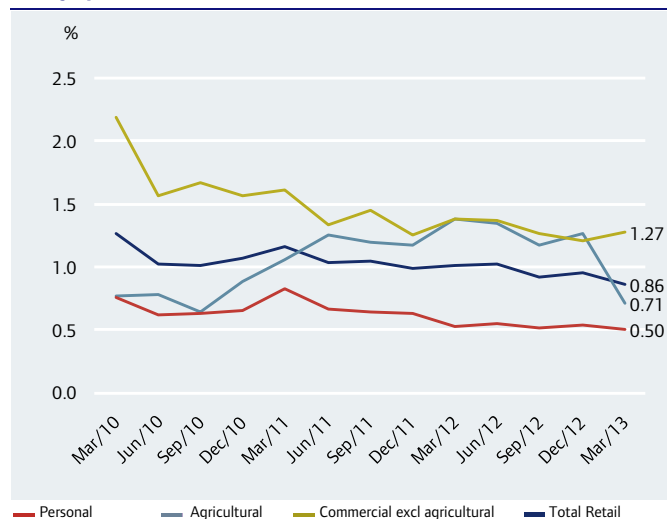
**Results – Retail**

DKK million	H1/2013	H1/2012
Core income from		
- business operations	3,067	3,065
- value adjustment of derivatives	85	(408)
- junior covered bonds	(78)	(67)
<b>Total</b>	<b>3,074</b>	<b>2,590</b>
Operating costs	1,546	1,549
Payment to the Guarantee Fund for Depositors and Investors	23	-
Depreciation of property, plant and equipment and amortisation of intangible assets	5	6
<b>Core earnings before impairment losses</b>	<b>1,500</b>	<b>1,035</b>
Impairment losses on loans and advances		
- mortgage lending	505	385
Impairment losses on loans and advances – banking	118	237
<b>Core earnings after impairment losses</b>	<b>877</b>	<b>413</b>

**Activities**

DKK million	30.06.2013	2012
<b>Mortgage lending</b>		
Gross new lending, H1/2013*	20,760	36,865
Portfolio at nominal value, end of period	447,295	450,218
Impairment losses for the period as % of loans and advances*	0.11	0.09
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	1,380	1,307
- Collective impairment provisions	731	611
Total impairment provisions as % of loans and advances	0.47	0.43
Portfolio of repossessed properties, end of period (properties)	281	276
<b>Banking</b>		
Loans and advances, end of period	25,869	27,105
Deposits, end of period	40,053	36,174
Impairment losses for the period as % of loans and advances*	0.50	0.76
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	2,066	2,002
- Collective impairment provisions	82	140
Total impairment provisions as % of loans and advances	7.67	7.33
Guarantees, end of period	4,668	3,668
Provisions for guarantees, end of period	51	74

\* For H1/2013 and H1/2012. Other data from end-H1/2013 and end-2012.

**Arrears ratio, mortgage lending 75 days past the due date****RETAIL**

The business area Retail comprises personal customers and SMEs, including agricultural customers, private residential rental customers, wealthy personal customers and personal customers owning properties in France or Spain financed by Danish mortgage loans. Further, the business area includes mortgage lending to Nykredit's personal customers arranged via Totalkredit. Retail also comprises the activities of Nykredit Mægler A/S and Nykredit Leasing A/S.

Nykredit serves its customers through 55 local customer centres and the sales and advisory centre Nykredit Direkte®. The estate agencies of the Nybolig and Estate chains constitute other distribution channels. Nykredit offers insurance in partnership with Gjensidige Forsikring.

The customers of Retail are offered products within banking, mortgage lending, insurance, pension, investment and debt management.

**Activities**

In nominal terms, total mortgage lending declined by DKK 2.9bn to DKK 447bn at end-H1/2013. DKK 1.9bn of the decline stemmed from the personal segment, and lending to the personal and commercial segments amounted to DKK 204bn and DKK 243bn, respectively, in nominal terms.

Gross new mortgage lending reduced by DKK 16.1bn to DKK 20.8bn on the same period the year before. The figure should be seen in the context of exceptionally high lending activity in H1/2012 in response to the low interest rate level, which caused many homeowners to remortgage. Gross new lending comprised DKK 9.4bn to personal customers and DKK 11.4bn to commercial customers.

Bank lending went down from DKK 27.1bn at the beginning of the year to DKK 25.9bn at end-H1/2013. The fall was evenly distributed between personal and commercial customers. At end-H1/2013, bank deposits amounted to DKK 40.1bn, up from DKK 36.2bn at the beginning of the year. The rise was chiefly due to higher deposits by commercial customers.

**Results**

Core earnings after impairment losses came to DKK 877m against DKK 413m in H1/2012.

Results reflected a continued low level of lending to personal customers and higher impairment losses on mortgages to SMEs, whereas impairment losses on lending to personal customers decreased. Further, value adjustment of interest rate swaps saw a positive development.

Core income from business operations was unchanged at DKK 3,067m in H1/2013. Core income from commercial customers grew by DKK 44m, whereas income from personal customers declined correspondingly.

Value adjustment of derivatives, mainly interest rate swaps, was a credit of DKK 85m in H1/2013 against a charge of DKK 408m in H1/2012.

Operating costs remained unchanged at DKK 1,546m compared with the same period the year before.

Impairment losses on mortgage lending rose by DKK 120m to DKK 505m, whereas impairment losses on bank lending halved to DKK 118m. Total impairment losses were unchanged compared with H1/2012. Impairment losses represented 0.11% of mortgage lending and 0.50% of bank lending.

The majority of impairment losses on personal customers continue to derive from customers in geographical areas where the marketability of properties is low, especially in Region Sealand.

At end-H1/2013, total impairment provisions stood at DKK 4,259m against DKK 4,060m at the beginning of the year. Impairment provisions for mortgage and bank lending were DKK 2,111m and DKK 2,148m, respectively. The change in impairment provisions of DKK 199m chiefly stemmed from a rise in individual impairment provisions for commercial customers.

At the March due date, 75-day mortgage arrears as a percentage of total mortgage payments due were 0.86% against 1.01% at the same time in 2012.

At end-H1/2013, repossessed properties amounted to 281, of which 157 were private residential properties and 124 commercial properties. In the period under review, 192 properties were repossessed and 187 sold.

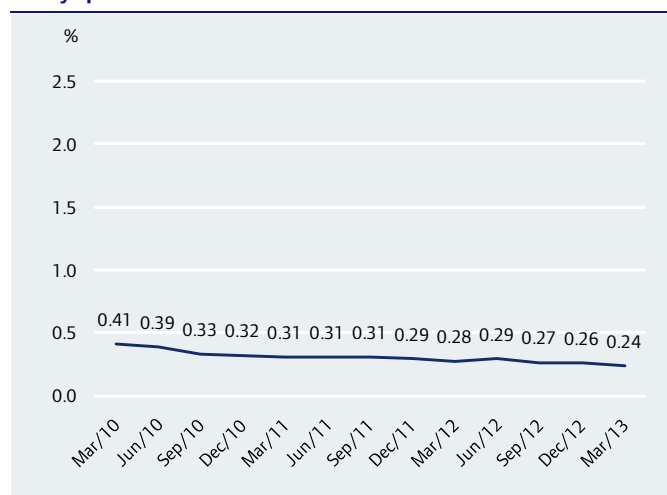
**Results – Totalkredit Partners**

DKK million	H1/2013	H1/2012
Core income from		
- business operations	836	846
- junior covered bonds	(143)	(109)
<b>Total</b>	<b>693</b>	<b>737</b>
Operating costs	210	214
Depreciation of property, plant and equipment and amortisation of intangible assets	258	258
<b>Core earnings before impairment losses</b>	<b>225</b>	<b>265</b>
Impairment losses on loans and advances	239	331
<b>Core earnings after impairment losses</b>	<b>(14)</b>	<b>(66)</b>

**Activities**

DKK million	30.06.2013	2012
<b>Mortgage lending</b>		
Gross new lending, H1*	28,879	74,421
Portfolio at nominal value, end of period	490,691	484,980
Impairment losses for the period as % of loans and advances*	0.05	0.07
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	426	441
- Collective impairment provisions	507	429
Total impairment provisions as % of loans and advances	0.19	0.18
Portfolio of repossessed properties, end of period (properties)	71	77

\* For H1/2013 and H1/2012.  
Other data from end-H1/2013 and end-2012.

**Arrears ratio, mortgage lending  
75 days past the due date****TOTALKREDIT PARTNERS**

The business area Totalkredit Partners comprises mortgage loans distributed to personal customers under the Totalkredit brand through nearly 70 Danish local and regional banks.

**Activities**

Nominal mortgage lending went up by DKK 5.7bn to DKK 491bn at end-H1/2013. Gross new lending fell by DKK 45.5bn to DKK 28.9bn on the same period the year before, when lending activity was exceptionally high as many homeowners remortgaged.

**Results**

Core earnings after impairment losses were negative at DKK 14m against negative earnings of DKK 66m in H1/2012.

Results reflected a drop in core income from business operations, rising interest expenses for supplementary collateral and a decline in loan impairment losses.

Core income from business operations edged down by 1% to DKK 836m in H1/2013. This was the result of higher administration margin income prompted by larger lending volumes and price increases implemented in April 2012, but also a drop in activity-specific income owing to lower lending levels.

Net expenses relating to junior covered bonds came to DKK 143m against DKK 109m in H1/2012. The upturn came from higher interest expenses relating to junior covered bonds.

Operating costs were unchanged at DKK 210m in H1/2013 compared with H1/2012.

Depreciation of property, plant and equipment and amortisation of intangible assets totalling DKK 258m mainly related to amortisation of distribution rights obtained in connection with Nykredit's acquisition of Totalkredit.

Realised losses, corresponding to the cash part of a loan exceeding 60% of the mortgageable value of a property at the time of granting, are offset against future commission payments from Totalkredit to its partner banks.

Loan impairment losses reduced by 28% to DKK 239m on the same period in 2012, after set-off against commission payable to partner banks. The amount offset grew by DKK 12m to DKK 136m in H1/2013. Impairment losses totalled 0.05% of loans and advances in H1/2013.

At end-H1/2013 total impairment provisions stood at DKK 933m against DKK 870m at the beginning of the year. The change in impairment provisions of DKK 63m stemmed from a rise in collective impairment provisions, whereas individual impairment provisions decreased.

At the March due date, 75-day mortgage arrears as a percentage of total mortgage payments due were 0.24% against 0.28% at the same time in 2012.

The number of repossessed properties was 71 at end-H1/2013. In the period under review, 72 properties were repossessed and 78 sold.



**Results – Wholesale**

DKK million	H1/2013	H1/2012
Core income from		
- business operations	1,250	1,252
- value adjustment of derivatives and corporate bonds	(29)	(30)
- junior covered bonds	(12)	(10)
<b>Total</b>	<b>1,209</b>	<b>1,212</b>
Operating costs	395	418
Payment to the Guarantee Fund for Depositors and Investors	5	-
Depreciation of property, plant and equipment and amortisation of intangible assets	3	2
<b>Core earnings before impairment losses</b>	<b>806</b>	<b>792</b>
Impairment losses on loans and advances		
- mortgage lending	9	26
Impairment losses on loans and advances		
- banking	59	12
<b>Core earnings after impairment losses</b>	<b>738</b>	<b>754</b>

**Income from customer activities**

DKK million	H1/2013	H1/2012
Gross income before payment for distribution		
- Nykredit Markets	412	604
- Nykredit Asset Management	394	397
- Corporate & Institutional Banking	775	657
<b>Total</b>	<b>1,581</b>	<b>1,658</b>
Payment for distribution		
- Nykredit Markets	(140)	(231)
- Nykredit Asset Management	(232)	(219)
- Corporate & Institutional Banking	41	44
<b>Total</b>	<b>(331)</b>	<b>(406)</b>
Core income after payment for distribution		
- Nykredit Markets	272	373
- Nykredit Asset Management	162	178
- Corporate & Institutional Banking	816	701
<b>Total</b>	<b>1,250</b>	<b>1,252</b>

**WHOLESALE**

The business area Wholesale comprises activities with the Group's corporate and institutional clients, the non-profit housing segment, cooperative housing and mortgage lending to corporates for properties abroad. Wholesale also handles the Group's activities within securities and financial derivatives trading, and wealth and asset management. Wholesale consists of Corporate & Institutional Banking, Nykredit Markets and Nykredit Asset Management.

**Results**

Core earnings after impairment losses came to DKK 738m against DKK 754m in H1/2012.

Results mirrored growth in business operations within Corporate & Institutional Banking, lower activity in Nykredit Markets, declining operating costs and higher, but still low, impairment losses on loans and advances.

Gross income from customer activities was DKK 1,581m compared with DKK 1,658m in H1/2012.

Nykredit Markets's gross income was DKK 412m, down DKK 192m on H1/2012, while gross income from Nykredit Asset Management reduced by DKK 3m to DKK 394m. Corporate & Institutional Banking recorded a DKK 118m increase to DKK 775m.

Nykredit Markets's income after payment for distribution dropped by DKK 101m to DKK 272m in H1/2013 and that of Nykredit Asset Management declined by DKK 16m to DKK 162m. Corporate & Institutional Banking recorded growth of DKK 115m to DKK 816m.

Value adjustment of derivatives, mainly interest rate swaps, was a charge of DKK 29m in H1/2013, which was unchanged on the same period the year before.

Operating costs fell by DKK 23m to DKK 395m in H1/2013 on the same period the year before.

Impairment losses on mortgage and bank lending amounted to DKK 9m and DKK 59m, respectively, compared with a total charge of DKK 38m in H1/2012. Impairment losses on bank lending in H1/2013 included a DKK 13m reversal of impairment provisions for terminated exposures, while other impairment losses came to DKK 72m. Impairment losses represented 0.01% of mortgage lending and 0.02% of bank lending.

At end-H1/2013, total impairment provisions came to DKK 1,943m against DKK 1,977m at the beginning of the year. The DKK 34m decline in total impairment provisions stemmed from a DKK 66m drop in collective impairment provisions and a DKK 32m rise in individual impairment provisions.

**Results – Wholesale**

DKK million	30.06.2013	2012
<b>Mortgage lending</b>		
Gross new lending, H1*	12,191	17,291
Portfolio at nominal value, end of period	175,765	173,599
Impairment losses for the period as % of loans and advances*	0.01	0.02
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	132	104
- Collective impairment provisions	36	63
Total impairment provisions as % of loans and advances	0.10	0.10
Portfolio of repossessed properties, end of period (properties)	2	3
<b>Banking</b>		
Loans and advances, end of period	21,476	19,655
Deposits, end of period	21,655	16,286
Impairment losses for the period as % of loans and advances*	0.02	0.20
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	1,733	1,729
- Collective impairment provisions	42	81
Total impairment provisions as % of loans and advances	7.63	8.43
Guarantees, end of period	833	936
Provisions for guarantees, end of period	63	8
<b>Assets under management</b>	<b>113,069</b>	<b>103,698</b>
<b>Assets under administration</b>		
<b>Nykredit Portefølje Administration A/S</b>	<b>550,004</b>	<b>513,675</b>
- of which the investment funds of the Nykredit Group	50,207	46,518

\* For H1/2013 and H1/2012.  
Other data from end-H1/2013 and end-2012.

**Activities**

In nominal terms, total mortgage lending improved by DKK 2.2bn to DKK 176bn at end-H1/2013. Gross new mortgage lending decreased by DKK 5.1bn to DKK 12.2bn compared with the same period the year before.

At end-H1/2013, bank lending was DKK 21.5bn, up DKK 1.8bn on the beginning of the year. The rise was attributable to corporate customers.

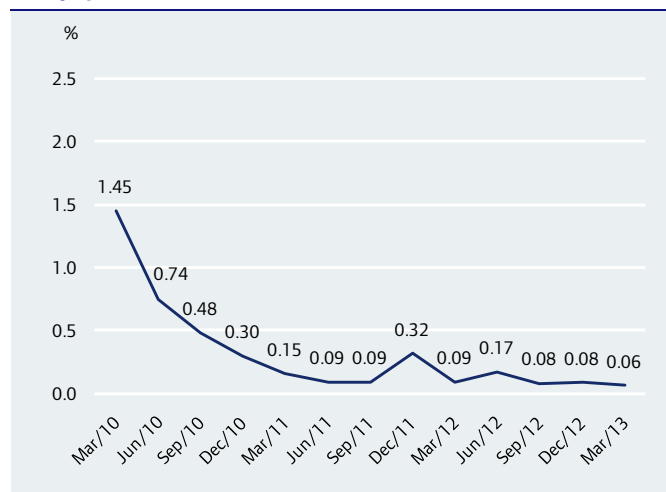
Bank deposits increased by DKK 5.4bn to DKK 21.7bn at end-H1/2013. The upturn was related to corporate customers and Nykredit Asset Management.

At end-H1/2013, Nykredit Asset Management had assets under management totalling DKK 113bn, up DKK 9bn on the beginning of the year. Assets under administration went up DKK 36bn to DKK 550bn at end-H1/2013.

**Arrears**

At the March due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due were 0.06% against 0.09% at the same time in 2012.

The number of repossessed properties was 2 at end-H1/2013. In the period under review, 1 property was sold.

**Arrears ratio, mortgage lending  
75 days past the due date**

## GROUP ITEMS

A number of income statement and balance sheet items are not allocated to the business areas. Such items are carried under Group Items and include costs of some staff functions and IT development costs. Group Items also includes the Group's total return on the securities portfolio, which is the sum of "Core income from securities" and "Investment portfolio income". The activities of the companies Nykredit Ejendom A/S and Ejendomsselskabet Kalvebod A/S are also part of Group Items.

## Results

Profit before tax was DKK 405m against DKK 1,137m in the same period the year before.

## Core income from securities

Group core income from securities was DKK 63m against DKK 165m in H1/2012. The downturn resulted from a decrease in the Danish central bank's average lending rate from 0.65% in H1/2012 to 0.25%.

### Results – Group Items

DKK million	H1/2013	H1/2012
Core income from		
- business operations	(2)	(62)
- securities	63	165
<b>Total</b>	<b>61</b>	<b>103</b>
Operating costs	305	341
Operating costs – special value adjustments	(1)	(178)
Payment to the Guarantee Fund for Depositors and Investors	9	3
Depreciation of property, plant and equipment and amortisation of intangible assets	117	102
<b>Core earnings before impairment losses</b>	<b>(369)</b>	<b>(165)</b>
Impairment losses on loans and advances – mortgage lending	10	-
Impairment losses on loans and advances – banking	(11)	-
<b>Core earnings after impairment losses</b>	<b>(368)</b>	<b>(165)</b>
Investment portfolio income	999	1,533
<b>Profit before cost of capital</b>	<b>631</b>	<b>1,368</b>
Net interest on hybrid capital	(226)	(231)
<b>Profit before tax</b>	<b>405</b>	<b>1,137</b>

### Activities

DKK million	30.06.2013	2012
<b>Banking</b>		
Loans and advances, end of period	3,009	2,968
Deposits, end of period	1,537	2,049
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions, lending	75	91
- Individual impairment provisions, credit institutions	19	-
- Collective impairment provisions	0	15
Total impairment provisions as % of loans and advances	2.45	3.43
Guarantees, end of period	278	202
Provisions for guarantees, end of period	0	0

Data from end-H1/2013 and end-2012.

Core income from securities equals the return which the Group could have obtained by placing its investment portfolios at the risk-free interest rate. Core income from securities also includes net interest expenses relating to supplementary capital and the acquisition of Totalkredit.

## Operating costs

Operating costs amounted to DKK 305m against DKK 341m in H1/2012.

Special value adjustments resulted in a net credit of DKK 1m. This included a net charge of DKK 29m relating to a revised estimate underlying the calculation of the Group's payroll tax, which was offset by a credit of DKK 30m stemming from a partial reversal of provisions relating to Dansk Pantebrevsbørs A/S under konkurs (in bankruptcy). The net credit of DKK 178m in H1/2012 concerned termination of the Group's senior benefit scheme, which was offset by provisions relating to staff reductions.

## Loan impairment

Loan impairment generated a net credit of DKK 1m and concerned only a few exposures.

## Investment portfolio income

Investment portfolio income amounted to DKK 999m against DKK 1,533m in the same period the year before. In H1/2013, DKK 697m of investment portfolio income was profit from the sale of strategic equities, which under current accounting rules must be recognised as income at cost. About half the profit derived from the sale of Nykredit's shareholding in Jeudan A/S. Owing to the profit on the sale of the strategic equities, investment portfolio income should be seen in the context of the negative value adjustment and reclassification of these equities against equity. When strategic equities are sold, gains from previous periods are recognised as income, and a corresponding negative adjustment against equity is made.

Investment portfolio income from bonds, liquidity and interest rate instruments was DKK 247m after set-off of commission of DKK 40m for a loss guarantee issued by Nykredit Holding in favour of Nykredit Bank. Net value adjustment of junior covered bonds issued was a charge of DKK 200m. Investment portfolio income from equities and equity instruments value adjusted through profit or loss was DKK 55m.

Investment portfolio income is the income exceeding risk-free interest obtained from investing in equities, bonds and derivative financial instruments. To this should be added the realisation of equities classified as available for sale and value adjustment of Kalvebod issues. Price spreads and interest margins relating to the mortgage lending of Nykredit Realkredit and Totalkredit and the trading activities of Nykredit Markets are included not as investment portfolio income, but as core income from business operations.

## EQUITY AND CAPITAL ADEQUACY OF THE NYKREDIT REALKREDIT GROUP

### Equity

Group equity grew by DKK 1.1bn to DKK 58.6bn at end-H1/2013.

The rise consisted of profit for the year of DKK 1.7bn and positive value adjustment of strategic equities of DKK 0.2bn, which was offset by reclassification of negative value adjustment of DKK 0.7bn on the sale of strategic equities. To this should be added distributed dividend of DKK 0.2bn.

In accordance with IAS 39, Nykredit has classified the Group's strategic equity investments as "available for sale" in its Consolidated Financial Statements. Current value adjustment of these equities is recognised in equity, whereas value adjustments following a sale will be reclassified from equity to the income statement. The value of equities classified as available for sale totalled DKK 740m against DKK 1,766m at the beginning of the year.

### The Nykredit Realkredit Group Equity

DKK million	30.06.2013	31.12.2012
<b>Equity, beginning of period</b>	<b>57,556</b>	<b>55,310</b>
Profit for the period	1,690	2,569
Fair value adjustment of equities available for sale	235	236
Realised value adjustment of equities available for sale reclassified to the income statement	(709)	(473)
Distributed dividend	(150)	(200)
Other adjustments	5	114
<b>Equity, end of period</b>	<b>58,627</b>	<b>57,556</b>

### The Nykredit Realkredit Group Capital and capital adequacy

DKK million	30.06.2013	31.12.2012
Credit risk	21,169	22,051
Market risk	2,606	2,368
Operational risk	1,505	1,722
<b>Total capital requirement<sup>1</sup></b>	<b>25,281</b>	<b>26,142</b>
Core Tier 1 capital	52,607	51,720
Tier 1 capital	63,275	62,410
Capital base after statutory deductions	63,275	62,410
Core Tier 1 capital ratio, %	16.6	15.8
Tier 1 capital ratio, %	20.0	19.1
Total capital ratio, %	20.0	19.1
Internal capital adequacy requirement (Pillar I and Pillar II), %	9.7	9.6
<b>Total risk-weighted assets</b>	<b>316,014</b>	<b>326,775</b>

Capital base and capital adequacy are specified further in note 2.

<sup>1</sup> The capital requirement is determined in accordance with the transitional provisions of the Danish Executive Order on Capital Adequacy. The capital requirement must constitute at least 80% of the capital requirement determined under Basel I. Subject to the transitional rule, the capital requirement was DKK 50.2bn at end-H1/2013.

### Capital and capital adequacy

The Group's capital base stood at DKK 63.3bn, and risk-weighted assets totalled DKK 316.0bn, corresponding to a total capital ratio of 20.0%.

The Group's capital requirement was DKK 25.3bn, and the core Tier 1 capital ratio was 16.6% at end-H1/2013.

Under the transitional rules, the capital requirement amounted to DKK 50.2bn, equal to a total capital ratio of at least 15.9%. The transitional rules of Basel I have been extended to 2015 inclusive. They are expected to be extended to 2019 when new capital requirements come into force.

The IRB advanced approaches are used to determine the capital requirement for credit risk for the greater part of the loan portfolio. The capital requirement for market risk is chiefly determined using a Value-at-Risk model, and the capital requirement for operational risk is determined using the basic indicator approach.

Nykredit's use of models to determine capital requirements is described under "Group risk management" in the Nykredit Realkredit Group's Annual Report 2012 and in the report Risk and Capital Management 2012 available at [nykredit.com/reports](http://nykredit.com/reports).

### Required capital base and internal capital adequacy requirement

The required capital base is the minimum capital required, in Management's judgement, to cover all significant risks. The Group's required capital base amounted to DKK 30.8bn at end-H1/2013, equal to an internal capital adequacy requirement of 9.7%.

Nykredit's required capital base consists of Pillar I and Pillar II capital.

Pillar I capital, covering credit, market and operational risk as well as risk relating to own properties, was determined at DKK 22.8bn at end-H1/2013.

Pillar II comprises capital to cover other risk as well as an increased capital requirement during an economic downturn. The Pillar II capital requirement was determined at DKK 8.0bn at end-H1/2013.

The report Risk and Capital Management 2012, available at [nykredit.com/reports](http://nykredit.com/reports), contains a detailed description of the determination of the required capital base and internal capital adequacy requirement of the Nykredit Group as well as all group companies.

### New regulation

The EU recently adopted extensive amendments to the regulation of the capital and liquidity of credit institutions.

The new requirements will be gradually implemented up to 2019. In a number of respects, the requirements have not been finally specified, but the details are to be determined by the European Banking Authority (EBA) and by the authorities and parliaments of the individual EU countries in the period up to 2019.

The capital requirements will be severely tightened. With respect to liquidity, Danish covered bonds are expected to be recognised as highly liquid assets, but the amended liquidity rules will generally require that liquidity reserves exceed today's level.

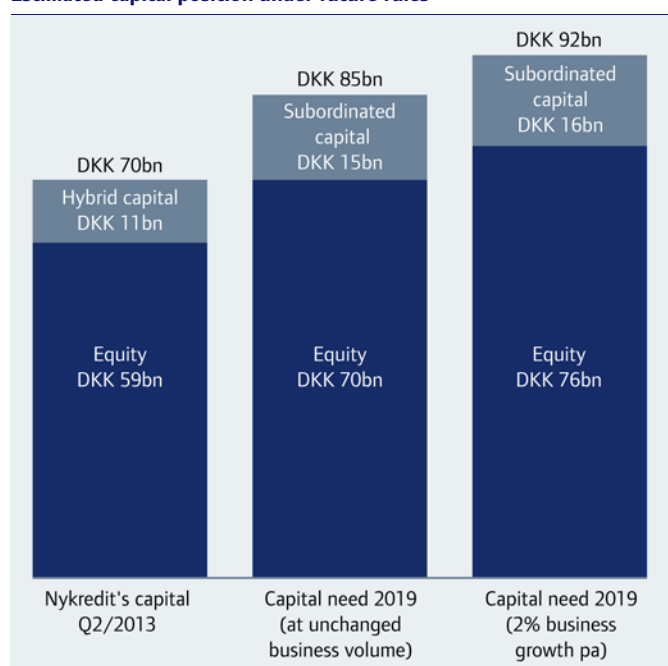
The Nykredit Realkredit Group is expected to be designated as a systemically important financial institution (SIFI) in Denmark. Based on the report of the SIFI Committee, Nykredit's equity requirement is expected to increase to 2% of risk-weighted assets. To this should be added a special crisis management buffer imposed on Danish SIFIs of 5% of risk-weighted assets. The buffer must consist of subordinated capital with special terms for write-down and/or conversion to share capital.

The new requirements will gradually be implemented up to 2019. Nykredit estimates that the total future regulatory requirement will be in the region of 18% of risk-weighted assets compared with a capital adequacy requirement of 9.5% today. Further, it is expected that risk-weighted assets will increase substantially due to changes in calculation rules. For the entire Group, risk-weighted assets are likely to be in the region of DKK 415bn.

The new rules will largely double the capital need. At an unchanged business volume, total capital requirements are expected to be some DKK 85bn, of which equity of DKK 70bn. The required equity has been calculated at 15.5% of risk-weighted assets in the current economic climate. To this should be added approximately DKK 15bn, which may be other subordinated capital.

A rise of 2% pa in the business volume will increase the capital need to a level of around DKK 92bn, of which equity of DKK 76bn, in 2019.

#### The Nykredit Realkredit Group Estimated capital position under future rules



## OTHER

### Price change for Totalkredit mortgages

The new capital adequacy rules to be introduced up to 2019 will largely double Nykredit's capital requirements compared with the current rules. The continuance of active lending activities requires a growing equity level, cf the preceding paragraph.

The announced rise in Totalkredit A/S's administration margins should be seen in this perspective and in the context of an overall assessment of the future capital requirements relative to earnings up to 2019.

### New Group Chief Executive

Peter Engberg Jensen, Nykredit's Group Chief Executive, turned 60 in April and will retire at end-August after 16 years as a member of Nykredit's Group Executive Board, of which almost seven years as Group Chief Executive.

The Board of Directors has appointed Michael Rasmussen as successor to Peter Engberg Jensen. Michael Rasmussen (48) was until his appointment CEO of Nordea Danmark A/S and a member of Nordea's Group Executive Management responsible for Nordea's activities in Denmark and all the Nordea group's retail banking activities.

On 1 September 2013 Michael Rasmussen will become CEO of Nykredit Holding A/S, Nykredit Realkredit A/S and Foreningen Nykredit. The Group Executive Board will subsequently comprise: Michael Rasmussen, Group Chief Executive, and Per Ladegaard, Karsten Knudsen, Søren Holm, Bente Overgaard and Kim Duus, all Group Managing Directors.

### Change in Board of Directors

At the Annual General Meeting of Nykredit Realkredit A/S held on 20 March 2013, Bent Naur, former bank CEO, was elected a member of the Company's Board of Directors.

### Nykredit and Totalkredit to spread refinancing auctions further

In February 2013, Nykredit and Totalkredit introduced ARMs (adjustable-rate mortgages) with interest rate adjustment on 1 July, thus expanding the number of annual interest rate adjustment dates offered from three to four.

With the expansion to four annual interest rate adjustment dates, Nykredit and Totalkredit have spread their refinancing auctions more evenly over the year, which reduces the refinancing risk in the financial sector.

### Tax

In May 2013, the Danish tax authorities suggested a change to Nykredit's reported income for the assessment year 2009. Reference is made to note 25 "Off-balance sheet items – Tax".

## EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

No significant events have occurred in the period up to the presentation of the H1 Interim Report 2013.

# LENDING

The Group reported total lending of DKK 1,164bn against DKK 1,159bn at the beginning of the year. Total lending included mortgage lending at nominal value and bank lending excluding reverse transactions.

Group mortgage lending at fair value rose by DKK 2.9bn to DKK 1,134bn compared with the beginning of the year. The Group's nominal mortgage lending amounted to DKK 1,114bn.

The Group's bank lending totalled DKK 50.4bn against DKK 49.7bn at the beginning of the year. The Group's reverse transactions amounted to DKK 48.8bn against DKK 35.4bn at the beginning of the year.

Impairment provisions for mortgage and bank lending totalled DKK 7.2bn compared with DKK 7.0bn at the beginning of the year. At end-H1/2013, the Group had made impairment provisions for receivables from credit institutions of DKK 29m, but no impairment provisions for reverse transactions.

The Group's guarantees came to DKK 5.8bn at end-H1/2013.

## The Nykredit Realkredit Group

### Loans, advances, guarantees and impairment losses on loans and advances

DKK million	Loans, advances and guarantees		Total provisions for loan impairment and guarantees		Impairment losses on loans and advances, earnings impact	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012	H1/2013	FY 2012
<b>Mortgage lending<sup>1</sup></b>						
Nykredit Realkredit <sup>2</sup>	591,660	598,882	2,241	2,051	503	1,052
Totalkredit <sup>3</sup>	522,092	509,915	971	903	250	540
<b>Total</b>	<b>1,113,752</b>	<b>1,108,797</b>	<b>3,212</b>	<b>2,954</b>	<b>753</b>	<b>1,592</b>
<b>Bank lending<sup>4</sup></b>						
Nykredit Bank <sup>5</sup>	48,873	48,116	2,866	2,838	182	480
Terminated exposures <sup>6</sup>	1,481	1,611	1,133	1,220	(67)	109
<b>Total</b>	<b>50,354</b>	<b>49,727</b>	<b>3,999</b>	<b>4,058</b>	<b>115</b>	<b>589</b>
<b>Receivables from credit institutions<sup>4</sup></b>						
<b>Total</b>	<b>25</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>29</b>	<b>-</b>
Reverse transactions	48,797	35,401	-	-		-
Guarantees	5,779	4,806	114	82	32	-32
<b>Loan impairment for the year, %<sup>7</sup></b>						
Nykredit Realkredit	-	-	0.38	0.34	0.09	0.18
Totalkredit	-	-	0.19	0.18	0.05	0.11
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.29</b>	<b>0.27</b>	<b>0.07</b>	<b>0.14</b>
Nykredit Bank	-	-	5.54	5.57	0.35	0.94
Terminated exposures <sup>6</sup>	-	-	43.34	43.09	(2.56)	3.85
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.36</b>	<b>7.55</b>	<b>0.25</b>	<b>1.10</b>

<sup>1</sup> Nominal mortgage lending.

<sup>2</sup> Excluding intercompany lending of DKK 1,212m (2012: DKK 1,161m).

<sup>3</sup> The earnings impact has been adjusted for an intercompany set-off of DKK 6m in H1/2013 (2012: DKK 13m).

<sup>4</sup> Bank lending and receivables from credit institutions determined after total impairment provisions.

<sup>5</sup> Excluding intercompany lending of DKK 70m (2012: DKK 80m).

<sup>6</sup> From the former Forstædernes Bank.

<sup>7</sup> Loan impairment excludes receivables from credit institutions, reverse transactions and guarantees.

## MORTGAGE LENDING

Group credit exposures in terms of nominal mortgage lending, including arrears, amounted to DKK 1,114bn at end-H1/2013 compared with DKK 1,109bn at the beginning of the year, a rise of DKK 5bn.

The security behind the mortgage loan portfolio is robust. Also, mortgage loans granted via Totalkredit are covered by set-off agreements, which means that Totalkredit may offset part of the recognised mortgage loan losses against future commission payments to the partner banks.

The LTV ratios of the mortgage loan portfolio are shown in the table below with individual loans relative to the estimated values of individual properties at end-H1/2013.

### Total provisions for mortgage loan impairment

The Group's total impairment provisions for mortgage lending rose by DKK 258m from the beginning of the year to DKK 3,212m at end-H1/2013.

The Group's individual impairment provisions for mortgage lending totalled DKK 1,938m against DKK 1,851m at the beginning of the year, and collective impairment provisions for mortgage lending were DKK 1,274m against DKK 1,103m at the beginning of the year.

Of the increase in impairment provisions, DKK 160m related to private residential property for which individual and collective impairment provisions came to DKK 10m and DKK 150m, respectively.

Private residential property accounted for DKK 1,704m of impairment provisions and commercial property DKK 1,508m at end-H1/2013.

The Group's total impairment provisions amounted to 0.29% of total mortgage lending against 0.27% at the beginning of the year.

### Earnings impact

Impairment losses on mortgage lending for the period came to DKK 753m against DKK 743m in H1/2012. Of total impairment losses on loans and advances for the period, DKK 481m, or just above 64%, was attributable to private residential property.

To this should be added impairment losses on credit institutions totaling DKK 10m at end-H1/2013.

## The Nykredit Realkredit Group

### Mortgage debt outstanding relative to estimated property values

DKK million/%	LTV (loan-to-value)						Total	LTV average, % <sup>1</sup>
	0-40	40-60	60-80	80-90	90-100	>100		
Private residential property	393,391	156,896	105,643	22,433	9,439	7,167	694,970	75
Private residential rental	70,892	25,834	15,018	2,179	913	634	115,470	69
Industry and trades	16,455	4,982	1,767	290	161	176	23,830	61
Office and retail	83,209	25,067	4,272	492	247	243	113,530	56
Agricultural property	72,081	19,591	7,408	1,253	600	524	101,457	59
Non-profit housing	-	-	-	-	-	-	68,111	-
Other	13,408	3,142	889	62	37	52	17,590	53
<b>Total, end-H1/2013</b>	<b>649,436</b>	<b>235,512</b>	<b>134,996</b>	<b>26,711</b>	<b>11,397</b>	<b>8,796</b>	<b>1,134,958</b>	<b>69</b>
Total, end-2012	654,182	231,850	135,812	26,864	10,781	8,456	1,137,797	68

<sup>1</sup>Determined as the top part of the debt outstanding relative to estimated property values.

Note: The figures are actual LTV ratios including any financed costs. Public authority guarantees reduce the credit risk relating to subsidised housing that forms part of lending to the non-profit housing segment. For this reason, LTVs of non-profit housing offer no relevant risk data.

In the table, debt outstanding is distributed continuously by LTV category. Loans with security covering for example between 0% and 60% of the mortgageable value are distributed with two thirds of the debt outstanding in the LTV range 0-40% and one third in the LTV range 40-60%.

## The Nykredit Realkredit Group

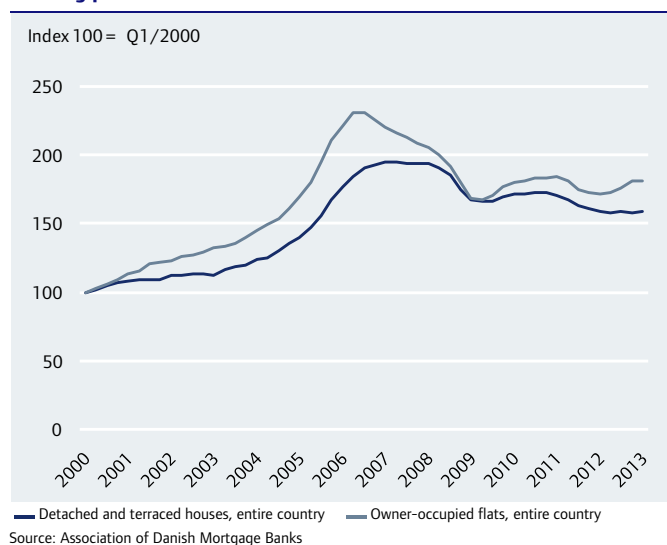
### Provisions for mortgage loan impairment by property type<sup>1</sup>

DKK million	30.06.2013				31.12.2012			
	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total earnings impact	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total earnings impact
Private residential property	817	887	1,704	481	807	737	1,544	1,093
Private residential rental	383	100	483	113	333	95	428	148
Industry and trades	158	16	174	42	123	20	143	43
Office and retail	220	122	342	104	219	84	303	207
Agricultural property	295	136	431	19	311	129	440	61
Non-profit housing	10	4	14	(13)	14	13	27	20
Other	55	9	64	7	44	25	69	20
<b>Total</b>	<b>1,938</b>	<b>1,274</b>	<b>3,212</b>	<b>753</b>	<b>1,851</b>	<b>1,103</b>	<b>2,954</b>	<b>1,592</b>

<sup>1</sup> The breakdown by property type is not directly comparable with the Group's business areas.

**The Nykredit Realkredit Group****Arrears ratio, mortgage lending – 75 days past the due date**

Due dates	Arrears relative to total mortgage payments %	Bond debt outstanding affected by arrears of total bond debt outstanding %	Bond debt outstanding affected by arrears DKKbn
<b>2013</b>			
- March	0.47	0.46	5.1
<b>2012</b>			
- December	0.49	0.53	5.9
- September	0.52	0.51	5.6
- June	0.56	0.63	7.1
- March	0.57	0.56	6.2

**The Nykredit Realkredit Group****Arrears ratio, mortgage lending – 75 days past the March due date****The Nykredit Realkredit Group****Housing prices in Denmark****Arrears**

At the March due date, the Group's mortgage loan arrears as a percentage of total mortgage payments due were 0.47% against 0.57% at the same time the year before.

Likewise, the Group's bond debt affected by arrears as a percentage of the total bond debt declined from 0.56% to 0.46% compared with the same time the year before.

Despite decreasing arrears ratios, mortgage impairment provisions rose. This was in particular the result of low marketability and declining prices of some property types.

**Housing prices**

Housing prices have gained 3.5% pa on average in the past decade, and today they are at the same level as in 2004, adjusted for inflation.

The housing market is characterised by incipient normalisation, but regional variance is significant.

In the period from Q1/2012 to Q1/2013, house prices slid by almost 0.5% across Denmark, whereas owner-occupied flats were up by 5%.

**Reposessed properties**

In H1/2013, the Group reposessed 264 properties and sold 266. At end-H1/2013, the portfolio stood at 354, of which 218 were private residential properties, compared with 356 at the beginning of the year.

**BANK LENDING**

The Group's credit exposure in terms of bank lending was DKK 104.9bn against DKK 89.9bn at the beginning of the year, up DKK 15.0bn. The increase primarily stemmed from reverse lending, which grew by DKK 13.4bn to DKK 48.8bn.

Bank lending accounted for DKK 50.4bn of the total credit exposure against DKK 49.7bn at the beginning of the year. Bank lending before impairment provisions was DKK 54.4bn against DKK 53.8bn at the beginning of 2013.

**Total provisions for bank loan impairment**

Total provisions for bank loan impairment amounted to DKK 3,999m against DKK 4,058m at the beginning of the year. Impairment provisions for receivables from credit institutions came to DKK 19m at end-H1/2013.

The Group's individual impairment provisions for bank lending totalled DKK 3,894m against DKK 3,821m at the beginning of the year, a rise of DKK 73m. Collective impairment provisions for bank lending were DKK 124m against DKK 236m at the beginning of the year, a fall of DKK 112m.

Impairment provisions for Retail were up by DKK 7m to DKK 2,148m, while impairment provisions for Wholesale excluding terminated exposures increased to DKK 642m compared with DKK 590m at end-2012. Impairment provisions for terminated exposures reduced by DKK 87m to DKK 1,133m on the beginning of the year, and provisions for Group Items amounted to DKK 95m including impairment provisions for receivables from credit institutions of DKK 19m.



## Guarantees

The Group issues guarantees on a current basis. Guarantees issued came to DKK 5.8bn against DKK 4.8bn at the beginning of the year. The rise was chiefly due to purchase money and payment guarantees.

At end-H1/2013, provisions for guarantees amounted to DKK 114m against DKK 82m at the beginning of the year.

## Earnings impact

For the period under review, loan impairment losses were DKK 134m, and provisions for guarantees DKK 32m – a total charge of DKK 166m. By comparison, loan impairment losses and provisions for guarantees came to DKK 248m in H1/2012.

### The Nykredit Realkredit Group Earnings impact of bank loan impairment and provisions for guarantees

DKK million	H1/2013	FY 2012
Retail	140	500
Wholesale excl terminated exposures	72	(32)
Terminated exposures	(67)	109
Group Items <sup>1</sup>	(11)	12
<b>Total impairment losses before guarantees</b>	<b>134</b>	<b>589</b>
Provisions for guarantees:		
Retail	(22)	11
Terminated exposures	54	(43)
<b>Total</b>	<b>166</b>	<b>557</b>

<sup>1</sup> H1/2013 includes a DKK 19m impairment loss on credit institutions.

### The Nykredit Realkredit Group Total provisions for bank loan impairment and guarantees by business area

DKK million	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total 30.06.2013	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total 31.12.2012
Retail	51	2,066	82	2,199	74	2,001	140	2,215
Wholesale excl terminated exposures	-	601	41	642	-	559	31	590
Terminated exposures	63	1,132	1	1,196	8	1,170	50	1,228
Group Items <sup>1</sup>	-	95	-	95	-	91	15	106
<b>Total</b>	<b>114</b>	<b>3,894</b>	<b>124</b>	<b>4,132</b>	<b>82</b>	<b>3,821</b>	<b>236</b>	<b>4,139</b>

<sup>1</sup> H1/2013 includes impairment provisions for credit institutions of DKK 19m.

### The Nykredit Realkredit Group Bank loans, advances and guarantees by industry

DKK million	Loans, advances and guarantees		Provisions	
	30.06.2013	31.12.2012	30.06.2013	31.12.2012
<b>Public sector</b>	<b>446</b>	<b>513</b>	<b>0</b>	<b>4</b>
Agriculture, hunting, forestry and fishing	1,896	1,957	172	167
Manufacturing, mining and quarrying	7,241	6,377	185	155
Energy supply	1,246	523	6	9
Construction	1,815	1,816	291	279
Trade	2,242	2,217	231	237
Transport, accommodation and food service activities	2,849	2,135	125	101
Information and communication	757	879	69	73
Finance and insurance	53,105	39,703	658	742
Real estate	11,366	13,056	1,391	1,367
Other	7,688	8,109	419	397
<b>Total commercial customers</b>	<b>90,205</b>	<b>76,772</b>	<b>3,547</b>	<b>3,527</b>
<b>Personal customers</b>	<b>19,206</b>	<b>20,012</b>	<b>566</b>	<b>608</b>
<b>Total</b>	<b>109,857</b>	<b>97,297</b>	<b>4,113</b>	<b>4,139</b>
<b>Impairment provisions for credit institutions</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,132</b>	<b>4,139</b>
- of which intercompany loans, advances and guarantees	4,927	7,363	-	-

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

# LIQUIDITY AND FUNDING

## LIQUIDITY

The Group's balance sheet structure ensures a high level of liquidity. The greater part of group lending consists of mortgage loans funded by covered bonds in the form of ROs and SDOs according to the match-funding principle. Nykredit's mortgage borrowers make their payments on or before the date on which Nykredit pays bondholders. Accordingly, mortgage lending and the funding thereof produce positive liquidity.

Mortgage loans may be funded by SDOs/ROs matching the term of the loan or by bonds which are refinanced one or more times during the term of the loan. For loans subject to refinancing, the structure of the loan agreements eliminates any market risk on funding and liquidity items on Nykredit's part.

In addition, the Group's bank lending was funded by deposits. The Group recorded a deposit surplus of DKK 12.9bn at end-H1/2013.

The Group's equity and capital market funding, excluding ROs and SDOs, are mainly placed in liquid Danish and other European government and covered bonds. These securities are eligible as collateral with the Danish or other European central banks and thus directly exchangeable into cash. To this should be added a small portfolio of money market deposits, equities, credit bonds and similar assets.

Nykredit's stock of liquid assets constitutes a sizeable buffer against liquidity movements driven by customer flows, loan arrears, current costs and maturing capital market funding. In addition, the Group applies its stock of liquid assets to ensure compliance with statutory liquidity requirements, including the requirement of Danish mortgage legislation for supplementary collateral in case of falling property prices in connection with SDO issuance, the liquidity requirement of the Danish Financial Business Act and credit rating agencies' requirements for maintaining the current high ratings.

The stock of liquid assets of the Group's mortgage banks totalled DKK 98bn at end-H1/2013 against DKK 92bn at end-2012.

At end-H1/2013, Nykredit Bank's stock of liquid assets stood at DKK 51.3bn against DKK 44.8bn at end-2012, determined in accordance with section 152 of the Danish Financial Business Act.

### Bond portfolio

The gross bond portfolio of DKK 195bn comprises mortgage bank reserves, Nykredit Bank's stock of liquid assets, portfolios related to market-making in the mortgage lending and banking areas as well as proceeds from the issuance of junior covered bonds.

In compliance with the balance principle, the mortgage banks of the Group hold a temporary portfolio of DKK 5bn relating to the refinancing of the covered bonds used to fund Nykredit's ARMs and placement of funds prepaid by borrowers. The Group's portfolio of self-issued bonds held in accordance with the balance principle chiefly comprises short-term bonds maturing on the next payment date. The portfolio is used to secure payment in connection with bond redemption.

The Group's bond portfolio totalled DKK 200bn at end-H1/2013, of which self-issued bonds excluding mandatory portfolios under the balance principle accounted for DKK 130bn.

In the period preceding payment dates, the value of bonds issued exceeds the value of the mortgage loan portfolio. The main reason is refinancing where the new bonds are issued immediately after the refinancing auctions, which are held approximately one month prior to a payment date, whereas the existing bonds do not mature until the payment date. Another important factor is ordinary principal payments and prepayments.

## LIQUIDITY COVERAGE RATIO

Nykredit will be subject to the new international regulatory framework regarding the liquidity coverage ratio (LCR) in early 2015. It is Nykredit's expectation that its SDOs and ROs will be eligible for inclusion in the stock of liquid assets. Nykredit expects to partially replace its portfolio of self-issued bonds by other bonds in connection with the implementation of the rules, which is not considered to give rise to any problems.

Under these assumptions, the LCRs of the Group's companies were as follows at end-H1/2013:

The Nykredit Realkredit Group	270%
Nykredit Realkredit A/S	606%
Totalkredit A/S	1,359%
Nykredit Bank A/S	132%

Given Nykredit's liquidity reserve combined with measures already initiated, Nykredit expects to fulfil the expected LCR requirements well ahead of schedule regardless of the final implementation.

On the back of its expected SIFI status, Nykredit anticipates that the LCR requirement will be at least 100% as from 1 January 2015.

## NET STABLE FUNDING RATIO

The Net Stable Funding Ratio (NSFR) is a measure indicating whether an institution can meet its payment obligations one year ahead in a stressed situation in which it is not possible to raise new funding in the form of bonds etc.

In the EU, the NSFR is so far a reporting requirement intended to enable the EU Commission and the EBA to consider how to introduce net stable funding regulation in 2018.

According to a report by the Danish SIFI Committee, a simple form of net stable funding regulation is to be introduced in 2014, which will, however, allow for the Danish mortgage lending model.

Most recently credit rating agency Standard & Poor's placed a number of European banks, including Nykredit, on negative outlook based on their net stable funding. The NSFR must be improved within two years in order for Nykredit to avoid a rating downgrade.

In Nykredit's view, the NSFR exaggerates the importance of being able to fund the next 12 months of payments without having to raise new funding in the bond market. Through its general bond sales and by spreading its refinancing auctions, Nykredit aims to stabilise funding based on continuous trading and market making in the bond market. This method may lead to volatile interest rates, but as was seen during the financial crisis the method contributed to maintaining an active Danish market for covered bonds, whereas most other markets were closed for issuance.

Requirements from authorities and rating agencies for the introduction of a NSFR means that Nykredit will consider alternatives to the existing refinancing model in the coming period.

Through a dialogue with the authorities and rating agencies, Nykredit will seek to ensure a stable solution to the problem so that customers are offered the best loan products.

## FUNDING

### Bond issuance

The Nykredit Group is one of the largest private bond issuers in Europe.

The Group's mortgage lending is funded through the issuance of SDOs and ROs.

The Nykredit Realkredit Group introduced two-tier mortgaging for personal customers at end-H1/2012. Two-tier mortgaging applies when the total loan amount exceeds 60% of the property value. Loans of up to 60% of the property value (base loans) are funded by SDOs, whereas loans for the 60-80% bracket (top loans) are funded by ROs. In the long term, this will reduce the Nykredit Group's supplementary collateral requirement if property prices decline.

Nykredit's ROs, which fund top loans, generally got a good reception in the market. Yield spreads versus the SDOs funding base loans have tightened significantly since the launch of two-tier mortgaging. The underlying bonds trade at yield spreads that are 5-30bp above those of equivalent SDOs. In connection with the refinancing of ARMs in Q2/2013, bonds of DKK 14bn were issued. The day-to-day tap issuance of bonds amounted to DKK 30bn in Q2/2013.

In addition, Nykredit Realkredit A/S issues junior covered bonds to fund supplementary collateral. Nykredit issued junior covered bonds totalling DKK 5.7bn in Q2/2013. Nykredit recently started issuance of junior covered bonds out of RO capital centres. Of the above DKK 5.7bn, DKK 2bn worth of junior covered bonds were issued out of Capital Centre D.

Nykredit Bank A/S's EMTN issues in H1/2013 amounted to DKK 1.3bn. Further, the Bank continued to refinance short-term ECP issues, which totalled DKK 12.4bn at end-H1/2013.

Finally, Nykredit Realkredit A/S issues subordinated debt to meet capital adequacy and rating agency requirements. No subordinated debt was issued in H1/2013.

### Issuance in 2013

The Nykredit Realkredit Group has not made any changes to its issuance programme for 2013 compared with its guidance at the full 2012 year results.

### RATINGS

On 19 July, Standard & Poor's affirmed Nykredit Realkredit A/S's and Nykredit Bank A/S's ratings of A+ (long-term unsecured ratings) and A-1 (short-term unsecured ratings), but at the same time Nykredit's ratings were placed on negative outlook over the next some 24 months. The negative outlooks are a consequence of Standard & Poor's changed view on the refinancing risk relating to ARMs.

Fitch has assigned a long-term unsecured rating of A and a short-term unsecured rating of F1 with stable outlooks to Nykredit Realkredit A/S and Nykredit Bank A/S.

Moody's still publishes unsolicited ratings for some group companies despite the fact that Nykredit has no rating relationship with Moody's.

### 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 other provisions, see the Annual Report 2012.

In Management's opinion, the uncertainty relating to the above-mentioned matters is insignificant to the H1 Interim Report 2013.

# MANAGEMENT STATEMENT

---

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

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January – 30 June 2013 of Nykredit Realkredit A/S and the Nykredit Realkredit 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 have been prepared in accordance with the Danish Financial Business Act and the Danish Executive Order on Finan-

cial Reports for Credit Institutions and Investment Firms, etc.

Further, the H1 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 30 June 2013 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 – 30 June 2013.

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

The H1 Interim Report has not been audited or reviewed.

Copenhagen, 20 August 2013

### Executive Board

Peter Engberg Jensen  
Group Chief Executive

Kim Duus  
Group Managing Director

Søren Holm  
Group Managing Director

Karsten Knudsen  
Group Managing Director

Per Ladegaard  
Group Managing Director

Bente Overgaard  
Group Managing Director

### Board of Directors

Steen E. Christensen  
Chairman

Hans Bang-Hansen  
Deputy Chairman

Steffen Kragh  
Deputy Chairman

Kristian Bengaard

Michael Demsitz

Merete Eldrup

Marlene Holm

Allan Kristiansen

Bent Naur

Anders C. Obel

Erling Bech Poulsen

Lars Peter Skaarup

Nina Smith

Jens Erik Udsen

Leif Vinther

# Statements of income and other comprehensive income DKK million

## for 1 January – 30 June

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
H1/2012	H1/2013		Note	H1/2013	H1/2012
17,797	14,646	Interest income	5	18,058	21,507
15,082	12,504	Interest expenses	6	13,189	16,160
2,715	2,142	<b>NET INTEREST INCOME</b>		<b>4,869</b>	<b>5,348</b>
71	29	Dividend on equities		47	74
560	434	Fee and commission income		946	1,261
136	146	Fee and commission expenses		1,019	1,068
3,209	2,460	<b>NET INTEREST AND FEE INCOME</b>		<b>4,842</b>	<b>5,614</b>
383	316	Value adjustments	7	838	215
5	12	Other operating income		111	106
1,212	1,286	Staff and administrative expenses	8	2,482	2,341
351	366	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	9	383	368
0	3	Other operating expenses		40	6
419	513	Impairment losses on loans, advances and receivables	10	929	991
544	722	Profit from investments in associates and group enterprises	11	49	9
2,160	1,342	<b>PROFIT BEFORE TAX</b>		<b>2,006</b>	<b>2,238</b>
389	126	Tax	12	317	537
1,771	1,216	<b>PROFIT FOR THE PERIOD</b>		<b>1,690</b>	<b>1,701</b>
		<b>OTHER COMPREHENSIVE INCOME</b>			
		<b>ITEMS NOT ELIGIBLE FOR RECLASSIFICATION TO THE INCOME STATEMENT:</b>			
2	(2)	Actuarial gains/losses on defined benefit plans		(2)	2
-	-	Change in deferred tax on fair value adjustment of owner-occupied properties due to a reduction of the corporation tax rate		7	-
-	7	Share of comprehensive income in associates and group enterprises		-	-
2	5	<b>Total items not eligible for reclassification to the income statement</b>		<b>5</b>	<b>2</b>
		<b>ITEMS ELIGIBLE FOR RECLASSIFICATION TO THE INCOME STATEMENT:</b>			
-	-	Fair value adjustment of equities available for sale		265	147
-	-	Tax on fair value adjustment of equities available for sale		(29)	(11)
-	-	Realised value adjustment of equities available for sale reclassified to the income statement		(697)	(63)
-	-	Tax on realised value adjustment of equities available for sale reclassified to the income statement		(13)	(2)
-	-	<b>Total items eligible for reclassification to the income statement</b>		<b>(474)</b>	<b>70</b>
2	5	<b>OTHER COMPREHENSIVE INCOME</b>		<b>(469)</b>	<b>72</b>
1,774	1,221	<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,221</b>	<b>1,774</b>

# Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2012	30.06.2013		Note	30.06.2013	31.12.2012
<b>ASSETS</b>					
2,465	947	Cash balance and demand deposits with central banks		2,094	9,497
31,526	25,446	Receivables from credit institutions and central banks	13	36,764	50,677
1,162,099	1,125,776	Loans, advances and other receivables at fair value	14	1,182,848	1,172,253
378	385	Loans, advances and other receivables at amortised cost	15	50,745	50,111
38,379	14,776	Bonds at fair value	16	68,258	79,055
<b>Equities</b>					
2,982	2,005	Equities measured at fair value through profit or loss		1,581	1,592
-	-	Equities available for sale		740	1,766
<b>2,982</b>	<b>2,005</b>	<b>Total</b>		<b>2,321</b>	<b>3,358</b>
155	113	Investments in associates		116	158
30,189	30,858	Investments in group enterprises		-	-
3,654	3,353	Intangible assets		3,403	3,705
<b>Land and buildings</b>					
-	-	Investment properties		610	652
18	18	Owner-occupied properties		1,666	1,668
<b>18</b>	<b>18</b>	<b>Total</b>		<b>2,276</b>	<b>2,319</b>
324	290	Other property, plant and equipment		341	377
141	-	Current tax assets		108	353
171	181	Deferred tax assets		194	184
465	460	Assets in temporary possession		1,422	1,412
16,083	13,554	Other assets	17	53,165	59,724
190	219	Prepayments		323	221
<b>1,289,219</b>	<b>1,218,380</b>	<b>TOTAL ASSETS</b>		<b>1,404,378</b>	<b>1,433,405</b>

## Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2012	30.06.2013		Note	30.06.2013	31.12.2012
<b>LIABILITIES AND EQUITY</b>					
48,597	14,703	Payables to credit institutions and central banks	18	49,319	67,539
-	-	Deposits and other payables	19	63,245	54,509
1,145,585	1,109,237	Issued bonds at fair value	20	1,086,408	1,103,818
182	3,747	Issued bonds at amortised cost	21	30,311	27,595
2,025	2,530	Other non-derivative financial liabilities at fair value	22	44,294	34,557
-	64	Current tax liabilities		142	17
-	-	Liabilities temporarily assumed		508	478
23,570	18,044	Other liabilities	23	59,550	75,099
-	-	Deferred income		2	4
<b>1,219,960</b>	<b>1,148,326</b>	<b>Total payables</b>		<b>1,333,779</b>	<b>1,363,616</b>
<b>Provisions</b>					
161	176	Provisions for pensions and similar obligations		183	167
393	282	Provisions for deferred tax		383	465
87	81	Repayable reserves in pre-1972 series		81	87
-	-	Provisions for losses under guarantees		114	82
26	30	Other provisions		127	150
<b>668</b>	<b>569</b>	<b>Total provisions</b>		<b>887</b>	<b>951</b>
<b>11,035</b>	<b>10,859</b>	<b>Subordinated debt</b>	<b>24</b>	<b>11,085</b>	<b>11,281</b>
<b>Equity</b>					
1,182	1,182	Share capital		1,182	1,182
<b>Accumulated changes in value</b>					
2	2	- revaluation reserves		209	202
-	-	- value adjustment of equities available for sale		272	745
<b>Other reserves</b>					
2,896	3,543	- statutory reserves		-	-
44,054	44,054	- series reserves		44,054	44,054
9,272	9,847	Retained earnings		12,910	11,223
150	-	Proposed dividend		-	150
<b>57,556</b>	<b>58,627</b>	<b>Total equity</b>		<b>58,627</b>	<b>57,556</b>
<b>1,289,219</b>	<b>1,218,380</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,404,378</b>	<b>1,433,405</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
-	-	Contingent liabilities	25	5,779	4,806
1,620	1,318	Other commitments		8,094	9,213
<b>1,620</b>	<b>1,318</b>	<b>TOTAL</b>		<b>13,873</b>	<b>14,019</b>

## Statement of changes in equity for 1 January – 30 June

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Statutory reserves*	Series reserves	Retained earnings	Proposed dividend	Total
<b>2013</b>							
Equity, 1 January	1,182	2	2,896	44,054	9,272	150	57,556
Profit for the period	-	-	686	-	530	-	1,216
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	(2)	-	(2)
Share of comprehensive income in associates and group enterprises	-	-	7	-	-	-	7
<b>Total other comprehensive income</b>	-	-	7	-	(2)	-	5
<b>Total comprehensive income for the period</b>	-	-	693	-	528	-	1,221
Dividend from associates	-	-	(6)	-	6	-	-
Dividend from group enterprises	-	-	(40)	-	40	-	-
Dividend distributed	-	-	-	-	-	(150)	(150)
<b>Equity, 30 June</b>	<b>1,182</b>	<b>2</b>	<b>3,543</b>	<b>44,054</b>	<b>9,847</b>	<b>-</b>	<b>58,627</b>
<b>2012</b>							
Equity, 1 January	1,182	2	2,155	47,720	4,051	200	55,310
Profit for the period	-	-	544	-	1,227	-	1,771
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	2	-	2
<b>Total other comprehensive income</b>	-	-	-	-	2	-	2
<b>Total comprehensive income for the period</b>	-	-	544	-	1,229	-	1,774
Dividend from associates	-	-	(1)	-	1	-	-
Dividend distributed	-	-	-	-	-	(200)	(200)
<b>Equity, 30 June</b>	<b>1,182</b>	<b>2</b>	<b>2,699</b>	<b>47,720</b>	<b>5,281</b>	<b>-</b>	<b>56,884</b>

\* The item relates to transfer to reserves for net revaluation according to the equity method. The reserves are non-distributable.

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



## Statement of changes in equity for 1 January – 30 June

DKK million

The Nykredit Realkredit Group

	Share capital	Revaluation reserves	Accumulated value adjustment of equities available for sale	Series reserves	Retained earnings	Proposed dividend	Total
<b>2013</b>							
Equity, 1 January	1,182	202	745	44,054	11,223	150	57,556
Profit for the period	-	-	-	-	1,690	-	1,690
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	(2)	-	(2)
Fair value adjustment of equities available for sale	-	-	236	-	-	-	236
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	(709)	-	-	-	(709)
Change in deferred tax on fair value adjustment of owner-occupied properties	-	7	-	-	-	-	7
<b>Total other comprehensive income</b>	-	7	(474)	-	(2)	-	(469)
<b>Total comprehensive income for the period</b>	-	7	(474)	-	1,688	-	1,221
Dividend distributed	-	-	-	-	-	(150)	(150)
<b>Equity, 30 June</b>	<b>1,182</b>	<b>209</b>	<b>272</b>	<b>44,054</b>	<b>12,910</b>	<b>-</b>	<b>58,627</b>
<b>2012</b>							
Equity, 1 January	1,182	151	982	47,720	5,075	200	55,310
Profit for the period	-	-	-	-	1,701	-	1,701
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	2	-	2
Fair value adjustment of equities available for sale	-	-	135	-	-	-	135
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	(65)	-	-	-	(65)
<b>Total other comprehensive income</b>	-	-	70	-	2	-	72
<b>Total comprehensive income for the period</b>	-	-	70	-	1,704	-	1,774
Dividend distributed	-	-	-	-	-	(200)	(200)
<b>Equity, 30 June</b>	<b>1,182</b>	<b>151</b>	<b>1,052</b>	<b>47,720</b>	<b>6,778</b>	<b>-</b>	<b>56,884</b>

## Statement of changes in equity for 1 January – 31 December

DKK million

	Share capital	Revaluation reserves	Statutory reserves*	Accumulated value adjustment of equities available for sale	Series reserves	Retained earnings	Proposed dividend	Total
<b>Nykredit Realkredit A/S</b>								
<b>2012</b>								
<b>Equity, 1 January</b>	1,182	2	2,155	-	47,720	4,051	200	55,310
<b>Profit for the year</b>	-	-	689	-	-	1,492	150	2,332
<b>Other comprehensive income</b>								
Actuarial gains/losses on defined benefit plans	-	-	-	-	-	60	-	60
Share of comprehensive income in associates and group enterprises	-	-	53	-	-	-	-	53
<b>Total other comprehensive income</b>	-	-	53	-	-	60	-	114
<b>Total comprehensive income for the year</b>	-	-	743	-	-	1,553	150	2,445
Dividend from associates	-	-	(2)	-	-	2	-	-
Dividend distributed	-	-	-	-	-	-	(200)	(200)
Adjustment pursuant to capital adequacy rules	-	-	-	-	(3,666)	3,666	-	-
Transferred from provisions for pre-1972 series	-	-	-	-	(0)	1	-	1
<b>Equity, 31 December</b>	1,182	2	2,896	-	44,054	9,272	150	57,556
<b>The Nykredit Realkredit Group</b>								
<b>2012</b>								
<b>Equity, 1 January</b>	1,182	151	-	982	47,720	5,075	200	55,310
<b>Profit for the year</b>	-	-	-	-	-	2,419	150	2,569
<b>Other comprehensive income</b>								
Actuarial gains/losses on defined benefit plans	-	-	-	-	-	60	-	60
Fair value adjustment of equities available for sale	-	-	-	236	-	-	-	236
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	-	(473)	-	-	-	(473)
Fair value adjustment of owner-occupied properties	-	53	-	-	-	-	-	53
<b>Total other comprehensive income</b>	-	53	-	(237)	-	60	-	(124)
<b>Total comprehensive income for the year</b>	-	53	-	(237)	-	2,479	150	2,445
Dividend distributed	-	-	-	-	-	-	(200)	(200)
Adjustment pursuant to capital adequacy rules	-	-	-	-	(3,666)	3,666	-	-
Transferred from provisions for pre-1972 series	-	-	-	-	(0)	1	-	1
Other adjustments	-	(2)	-	-	-	2	-	-
<b>Equity, 31 December</b>	1,182	202	-	745	44,054	11,223	150	57,556

\* The item relates to transfer to reserves for net revaluation according to the equity method. The reserves are non-distributable.

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

## Cash flow statement for 1 January – 30 June

DKK million

	The Nykredit Realkredit Group	
Note	H1/2013	H1/2012
<b>Profit for the period</b>	<b>1,690</b>	<b>1,701</b>
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	383	368
Profit from investments in associates	(49)	(9)
Impairment losses on loans, advances and receivables	929	991
Prepayments/deferred income, net	(104)	(37)
Tax calculated on profit for the period	317	537
Other adjustments	(437)	82
<b>Total</b>	<b>1,038</b>	<b>1,932</b>
<b>Profit for the period adjusted for non-cash operating items</b>	<b>2,728</b>	<b>3,633</b>
<b>Change in working capital</b>		
Loans, advances and other receivables	(12,157)	(45,899)
Deposits and payables to credit institutions	(9,485)	(18,861)
Issued bonds	(14,694)	46,042
Other working capital	637	5,632
<b>Total</b>	<b>(35,699)</b>	<b>(13,086)</b>
<b>Corporation tax paid, net</b>	<b>(72)</b>	<b>(11)</b>
<b>Cash flows from operating activities</b>	<b>(33,044)</b>	<b>(9,464)</b>
<b>Cash flows from investing activities</b>		
Divestment of associates	63	-
Dividend received	6	1
Purchase and sale of bonds and equities	11,834	5,021
Purchase of intangible assets	(13)	(108)
Purchase of property, plant and equipment	(37)	(70)
Sale of property, plant and equipment	46	2
<b>Total</b>	<b>11,898</b>	<b>4,847</b>
<b>Cash flows from financing activities</b>		
Purchase and sale of self-issued subordinated debt instruments	(19)	(1)
Dividend distributed	(150)	(200)
<b>Total</b>	<b>(169)</b>	<b>(201)</b>
<b>Total cash flows</b>	<b>(21,315)</b>	<b>(4,818)</b>
<b>Cash and cash equivalents, beginning of period</b>		
Cash balance and demand deposits with central banks	9,497	7,084
Receivables from credit institutions and central banks	50,677	59,175
<b>Total</b>	<b>60,174</b>	<b>66,258</b>
<b>Cash and cash equivalents, end of period</b>		
Cash balance and demand deposits with central banks	2,094	693
Receivables from credit institutions and central banks	36,764	60,747
<b>Total</b>	<b>38,859</b>	<b>61,440</b>

# Notes

## LIST OF NOTES

No	Note	Page
1.	Accounting policies	29
2.	Capital base and capital adequacy	30
3.	Core earnings and investment portfolio income	31
4.	Results by business area	32
5.	Interest income	33
6.	Interest expenses	33
7.	Value adjustments	34
8.	Staff and administrative expenses	34
9.	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	35
10.	Impairment losses on loans, advances and receivables	35
11.	Profit from investments in associates and group enterprises	36
12.	Tax	36
13.	Receivables from credit institutions and central banks	37
14.	Loans, advances and other receivables at fair value	37
15.	Loans, advances and other receivables at amortised cost	38
16.	Bonds at fair value	38
17.	Other assets	39
18.	Payables to credit institutions and central banks	39
19.	Deposits and other payables	39
20.	Issued bonds at fair value	39
21.	Issued bonds at amortised cost	40
22.	Other non-derivative financial liabilities at fair value	40
23.	Other liabilities	41
24.	Subordinated debt	41
25.	Off-balance sheet items	42
26.	Related party transactions and balances	43
27.	Fair value hierarchy for financial instruments	44
28.	Seven-quarter financial highlights	46
29.	Five-year financial highlights	48
30.	Group structure	50

# Notes

## 1. ACCOUNTING POLICIES

### GENERAL

The Consolidated Financial Statements for H1/2013 have been 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 but a less detailed presentation relative to the presentation of annual reports.

The interim financial statements of the Parent Company have been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. issued by the Danish Financial Supervisory Authority.

### New and amended standards and interpretations

IAS 19 "Employee Benefits" entered into force on 1 January 2013. For the Nykredit Group, the amendment to the standard means that actuarial gains and losses on defined benefit plans are recognised in "Other comprehensive income" and not in "Staff and administrative expenses". The elimination of the corridor approach has had no impact as the Nykredit Group has not applied this approach.

The Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. issued by the Danish Financial Supervisory Authority has been amended accordingly, and the Parent Company has consequently implemented this amendment in its recognition of defined benefit plans.

As a result of the implementation of the amendment to IAS 19 and the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc., all comparative figures have been restated. The effect of the restatement of comparative figures is the same for the Parent Company and the Group.

As regards the comparative figures for H1/2012, the restatement had a negative effect on profit after tax for the period of DKK 2m and a positive effect on other comprehensive income of DKK 2m.

Other standards in force as at 1 January 2013 have been implemented with no effect on profit, comprehensive income, balance sheets or equity for the period.

Compared with the information disclosed in the accounting policies of the Annual Report for 2012 (note 1), no new reporting standards or interpretations have been issued or approved which influence the H1 Interim Report 2013 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

The IASB is still working on a project which, in 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 has opted not to adopt IFRS 9 until the results of all three 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 Consolidated Financial Statements has not been analysed, as the standard is not currently available in a form that allows an overall assessment of the effect.

In all other respects, the accounting policies are unchanged compared with the Annual Report for 2012. For a full description of the Group's and the Parent Company's accounting policies, please refer to note 1 of the Annual Report for 2012, which is available at [nykredit.com](http://nykredit.com).

All figures in the H1 Interim Report are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2012	30.06.2013		30.06.2013	31.12.2012
<b>2. CAPITAL BASE AND CAPITAL ADEQUACY</b>				
<b>Capital base and capital adequacy</b>				
57,556	58,627	Equity, end of period	58,627	57,556
(2)	(2)	Revaluation reserves transferred to supplementary capital	(209)	(202)
<b>57,554</b>	<b>58,625</b>	<b>Tier 1 capital</b>	<b>58,418</b>	<b>57,354</b>
(150)	-	Proposed dividend	-	(150)
(3,654)	(3,353)	Intangible assets	(3,403)	(3,705)
<b>53,751</b>	<b>55,272</b>	<b>Core Tier 1 capital after primary statutory deductions</b>	<b>55,015</b>	<b>53,499</b>
10,445	10,442	Hybrid capital included	10,668	10,690
(882)	(954)	Difference between expected losses and impairments for accounting purposes	(1,037)	(917)
(1,717)	(2,208)	Other statutory deductions	(1,371)	(863)
<b>61,596</b>	<b>62,553</b>	<b>Tier 1 capital after statutory deductions</b>	<b>63,275</b>	<b>62,410</b>
40	36	Revaluation reserves and series reserves	243	241
<b>61,636</b>	<b>62,589</b>	<b>Capital base before statutory deductions</b>	<b>63,519</b>	<b>62,650</b>
(882)	(954)	Difference between expected losses and impairments for accounting purposes	(1,037)	(917)
(438)	(645)	Other statutory deductions	(288)	(93)
1,279	1,563	Set-off of excess capital deduction	1,083	769
<b>61,596</b>	<b>62,553</b>	<b>Capital base after statutory deductions</b>	<b>63,275</b>	<b>62,410</b>
<b>Capital requirement</b>				
27,751	27,049	Credit risk (incl settlement risk, statutory deduction for collective impairment provisions under the standardised approach and a charge for exceeding large exposure limits)	21,169	22,051
1,346	1,386	Market risk	2,606	2,368
886	768	Operational risk	1,505	1,722
<b>29,983</b>	<b>29,203</b>	<b>Total capital requirement</b>	<b>25,281</b>	<b>26,142</b>
<b>374,788</b>	<b>365,040</b>	<b>Total risk-weighted assets</b>	<b>316,014</b>	<b>326,775</b>
<b>Financial ratios</b>				
13.6	14.3	Core Tier 1 capital ratio, %	16.6	15.8
16.4	17.1	Tier 1 capital ratio, %	20.0	19.1
16.4	17.1	Total capital ratio, %	20.0	19.1
<b>Required capital base and internal capital adequacy requirement</b>				
27,751	27,049	Credit risk	17,651	18,285
2,570	2,291	Market risk	3,544	3,812
1,697	1,475	- of which stressed VaR	2,191	2,372
898	772	Operational risk	1,461	1,662
-	-	Risk relating to own properties	133	133
<b>31,219</b>	<b>30,112</b>	<b>Total Pillar I</b>	<b>22,789</b>	<b>23,893</b>
1,208	1,159	Weaker economic climate (stress test, etc)	2,344	2,506
1,440	1,357	Other factors and uncertainties	5,665	4,879
<b>2,648</b>	<b>2,516</b>	<b>Total Pillar II</b>	<b>8,009</b>	<b>7,385</b>
<b>33,867</b>	<b>32,629</b>	<b>Total required capital base</b>	<b>30,798</b>	<b>31,278</b>
<b>374,788</b>	<b>365,040</b>	<b>Total risk-weighted assets</b>	<b>316,014</b>	<b>326,775</b>
<b>9.0</b>	<b>8.9</b>	<b>Internal capital adequacy requirement (ICAAP), %</b>	<b>9.7</b>	<b>9.6</b>

## Notes

DKK million

## The Nykredit Realkredit Group

3. CORE EARNINGS AND INVESTMENT PORTFOLIO INCOME	H1/2013				H1/2012			
	Core earnings	Investment portfolio income	Cost of capital	Total	Core earnings	Investment portfolio income	Cost of capital	Total
Net interest income	4,527	568	(226)	4,869	4,212	1,366	(230)	5,348
Dividend on equities	7	40	-	47	2	71	-	74
Fee and commission income, net	(19)	(54)	-	(73)	247	(55)	-	193
<b>Net interest and fee income</b>	<b>4,514</b>	<b>554</b>	<b>(226)</b>	<b>4,843</b>	<b>4,461</b>	<b>1,382</b>	<b>(230)</b>	<b>5,614</b>
Value adjustments	419	419	(1)	838	75	141	(1)	215
Other operating income	104	8	-	111	106	-	-	106
Staff and administrative expenses	2,482	-	-	2,482	2,341	-	-	2,341
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	383	-	-	383	368	-	-	368
Other operating expenses	40	-	-	40	6	-	-	6
Impairment losses on loans, advances and other receivables	929	-	-	929	991	-	-	991
Profit from investments in associates	30	19	-	49	-	9	-	9
<b>Profit (loss) before tax</b>	<b>1,233</b>	<b>1,000</b>	<b>(226)</b>	<b>2,006</b>	<b>936</b>	<b>1,533</b>	<b>(231)</b>	<b>2,238</b>

## Notes

DKK million

## The Nykredit Realkredit Group

## 4. RESULTS BY BUSINESS AREA

H1/2013	Retail	Totalkredit Partners	Wholesale	Group Items	Total
<b>Core income from</b>					
- customer activity, gross	2,736	835	1,581	(1)	5,151
- allocation of income for distribution	331	-	(331)	-	-
<b>Total business operations</b>	<b>3,067</b>	<b>835</b>	<b>1,250</b>	<b>(1)</b>	<b>5,151</b>
- value adjustment of derivatives and corporate bonds	85	-	(29)	-	56
- junior covered bonds	(78)	(143)	(12)	-	(233)
- securities	-	-	-	63	63
<b>Total core income</b>	<b>3,074</b>	<b>693</b>	<b>1,209</b>	<b>61</b>	<b>5,037</b>
Operating costs	1,569	209	400	314	2,492
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	5	258	3	117	383
<b>Core earnings before impairment losses</b>	<b>1,500</b>	<b>225</b>	<b>806</b>	<b>(369)</b>	<b>2,162</b>
Impairment losses on loans and advances	622	239	68	(1)	929
<b>Core earnings after impairment losses</b>	<b>877</b>	<b>(14)</b>	<b>738</b>	<b>(369)</b>	<b>1,233</b>
Investment portfolio income <sup>1</sup>	-	-	-	1,000	1,000
<b>Profit (loss) before cost of capital</b>	<b>877</b>	<b>(14)</b>	<b>738</b>	<b>631</b>	<b>2,233</b>
Net interest on hybrid capital	-	-	-	(226)	(226)
<b>Profit (loss) before tax</b>	<b>877</b>	<b>(14)</b>	<b>738</b>	<b>405</b>	<b>2,006</b>

H1/2012	Retail	Totalkredit Partners	Wholesale	Group Items	Total
<b>Core income from</b>					
- customer activity, gross	2,659	846	1,658	(62)	5,102
- allocation of income for distribution	406	-	(406)	-	-
<b>Total business operations</b>	<b>3,065</b>	<b>846</b>	<b>1,252</b>	<b>(62)</b>	<b>5,102</b>
- value adjustment of derivatives and corporate bonds	(408)	-	(30)	-	(438)
- junior covered bonds	(67)	(109)	(11)	-	(187)
- securities	-	-	-	165	165
<b>Total core income</b>	<b>2,590</b>	<b>737</b>	<b>1,212</b>	<b>104</b>	<b>4,643</b>
Operating costs	1,549	214	418	166	2,347
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	6	258	2	102	368
<b>Core earnings before impairment losses</b>	<b>1,035</b>	<b>265</b>	<b>792</b>	<b>(165)</b>	<b>1,928</b>
Impairment losses on loans and advances	622	331	38	0	991
<b>Core earnings after impairment losses</b>	<b>413</b>	<b>(66)</b>	<b>754</b>	<b>(165)</b>	<b>936</b>
Investment portfolio income <sup>1</sup>	-	-	-	1,533	1,533
<b>Profit (loss) before cost of capital</b>	<b>413</b>	<b>(66)</b>	<b>754</b>	<b>1,368</b>	<b>2,469</b>
Net interest on hybrid capital	-	-	-	(231)	(231)
<b>Profit (loss) before tax</b>	<b>413</b>	<b>(66)</b>	<b>754</b>	<b>1,137</b>	<b>2,238</b>

<sup>1</sup> Investment portfolio income includes a profit from investments in associates of DKK 27m, including divestment gains, compared with DKK 9m in 2012.



## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
H1/2012	H1/2013	H1/2013	H1/2012	
<b>5. INTEREST INCOME</b>				
6,770	6,044	Receivables from credit institutions and central banks	27	128
8,328	6,252	Loans, advances and other receivables	13,826	17,299
1,822	2,034	Administration margin (income)	3,557	3,099
<b>Bonds</b>				
392	169	- Self-issued SDOs (særligt dækkede obligationer)	400	860
413	198	- Self-issued ROs (realkreditobligationer)	366	660
751	194	- Other ROs	527	867
5	(9)	- Government bonds	(15)	(37)
102	65	- Other bonds	141	274
<b>Derivative financial instruments</b>				
(50)	(28)	- Foreign exchange contracts	(46)	(82)
37	69	- Interest rate contracts	72	(34)
-	-	- Equity contracts	(23)	(13)
-	-	- Other contracts	(6)	(2)
34	27	Other interest income	30	36
<b>18,606</b>	<b>15,016</b>	<b>Total</b>	<b>18,858</b>	<b>23,055</b>
(392)	(169)	Interest from self-issued SDOs offset against interest expenses – note 6	(400)	(860)
(413)	(198)	Interest from self-issued ROs offset against interest expenses – note 6	(366)	(660)
(3)	(2)	Interest from other self-issued securities and bonds offset against interest expenses – note 6	(33)	(28)
<b>17,797</b>	<b>14,646</b>	<b>Total</b>	<b>18,058</b>	<b>21,507</b>
<b>Of which interest income from genuine purchase and resale transactions entered as:</b>				
5	8	Receivables from credit institutions and central banks	11	71
-	-	Loans, advances and other receivables	99	184
<b>6. INTEREST EXPENSES</b>				
268	34	Credit institutions and central banks	78	284
-	-	Deposits and other payables	227	468
15,137	12,413	Issued bonds	13,278	16,493
400	399	Subordinated debt	404	406
85	28	Other interest expenses	1	56
<b>15,891</b>	<b>12,874</b>	<b>Total</b>	<b>13,989</b>	<b>17,707</b>
(392)	(169)	Set-off of interest from self-issued SDOs – note 5	(400)	(860)
(413)	(198)	Set-off of interest from self-issued ROs – note 5	(366)	(660)
(3)	(2)	Set-off of interest from self-issued other securities and bonds – note 5	(33)	(28)
<b>15,082</b>	<b>12,504</b>	<b>Total</b>	<b>13,189</b>	<b>16,160</b>
<b>Of which interest expenses from genuine sale and repurchase transactions entered as:</b>				
258	29	Credit institutions and central banks	36	267
-	-	Deposits and other payables	35	146

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2012	H1/2013	H1/2013	H1/2012
<b>7. VALUE ADJUSTMENTS</b>			
<b>Financial assets measured at fair value through profit or loss</b>			
2,078	(3,554)	Mortgage loans	(7,264) 2,815
366	(3,500)	Totalkredit mortgage loan funding	- -
128	24	Other loans, advances and receivables at fair value	7 0
681	(258)	Bonds	(424) 907
128	318	Equities	85 (1)
-	-	Investment properties	(0) (3)
(50)	34	Foreign exchange	64 (39)
(171)	162	Foreign exchange, interest rate and other contracts as well as derivative financial instruments	367 (388)
<b>Financial assets measured at fair value and recognised in "Other comprehensive income"</b>			
-	-	Realised value adjustment of equities available for sale reclassified to the income statement	697 63
<b>Financial liabilities measured at fair value through profit or loss</b>			
(2,410)	3,591	Issued bonds	7,306 (3,138)
(366)	3,500	Totalkredit mortgage loan funding	- -
<b>383</b>	<b>316</b>	<b>Total</b>	<b>838 215</b>
<b>8. STAFF AND ADMINISTRATIVE EXPENSES</b>			
25	43	Remuneration of Board of Directors and Executive Board	43 25
840	1,047	Staff expenses	1,528 1,296
347	195	Other administrative expenses	910 1,020
<b>1,212</b>	<b>1,286</b>	<b>Total</b>	<b>2,482 2,341</b>
<b>Remuneration of Board of Directors and Executive Board</b>			
<b>Board of Directors</b>			
2	2	Remuneration	2 2
<b>Executive Board</b>			
18	24	Fixed salaries	24 18
6	18	Provisions for pension benefits	18 6
<b>25</b>	<b>43</b>	<b>Total</b>	<b>43 25</b>
<p>Subject to 12 months' notice, Executive Board members may resign on attaining the age of 60 and are entitled to pension benefits for up to five years equal to 65% of their gross salaries until attaining the age of 70. Subject to 6 months' notice, Nykredit may similarly request a member of the Executive Board to accept retirement in this period.</p> <p>Members of the Executive Board are subject to a mutual term of notice of six months until they attain the age of 60. Upon termination at Nykredit's request before the age of 60, an Executive Board member is entitled to termination benefits equal to 24 months' gross salary.</p> <p>Peter Engberg Jensen has announced his retirement as Group Chief Executive. In accordance with his contractual term of notice, Peter Engberg Jensen will receive salary until end-February 2014, but will retire at end-August 2013 when Michael Rasmussen takes the position of CEO. The salary for the notice period was charged to the income statement in Q2/2013.</p> <p>Peter Engberg Jensen is contractually entitled to a 5-year pension of 65% of his gross salary at the time of retirement. This obligation has been currently provided for, based on a calculated retirement age of 65 years. The part of the pension obligation not already provided for was charged to the income statement in Q2/2013.</p>			
<b>Staff expenses</b>			
647	819	Salaries	1,207 1,029
94	95	Pensions	134 131
100	133	Payroll tax and other social security expenses	188 136
<b>840</b>	<b>1,047</b>	<b>Total</b>	<b>1,528 1,296</b>
<b>Number of staff</b>			
3,097	3,007	Average number of staff for the financial period, full-time equivalents	4,049 4,124

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2012	H1/2013	H1/2013	H1/2012
<b>9. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS</b>			
<b>Intangible assets</b>			
302	315	- Amortisation	315 303
<b>Property, plant and equipment</b>			
49	51	- Depreciation	68 65
<b>351</b>	<b>366</b>	<b>Total</b>	<b>383 368</b>
<b>10. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES</b>			
<b>10 a. Earnings impact</b>			
213	348	Change in individual impairment provisions for loans and advances	747 668
-	10	Change in individual impairment provisions for receivables from credit institutions	29 -
76	91	Change in collective impairment provisions for loans and advances	59 215
85	25	Losses recognised for the period, net	172 207
(19)	(19)	Received on claims previously written off as impairment losses	(37) (29)
-	-	Provisions for guarantees	32 (32)
<b>355</b>	<b>456</b>	<b>Total provisions for loan and receivable impairment and guarantees</b>	<b>1,002 1,029</b>
72	59	Value adjustment of assets in temporary possession	64 94
(8)	(1)	Value adjustment of claims previously written off as impairment losses	(1) (8)
-	-	Losses offset against commission payments to banks	(136) (124)
<b>419</b>	<b>513</b>	<b>Total</b>	<b>929 991</b>
<b>10 b. Specification of impairment losses on loans, advances and receivables</b>			
970	1,502	Individual impairment provisions	5,842 5,381
891	748	Collective impairment provisions	1,398 1,649
<b>1,861</b>	<b>2,251</b>	<b>Total impairment provisions</b>	<b>7,240 7,030</b>
<b>Impairment provisions have been offset against the following items:</b>			
1,477	2,111	Mortgage loans – note 14	2,962 2,234
384	130	Arrears and outlays – note 14	250 492
-	-	Bank loans and advances – note 15	3,999 4,304
-	10	Receivables from credit institutions	29 -
<b>1,861</b>	<b>2,251</b>	<b>Total impairment provisions</b>	<b>7,240 7,030</b>
<b>10 c. Individual impairment provisions for loans and advances</b>			
<b>967</b>	<b>1,394</b>	<b>Impairment provisions, beginning of period</b>	<b>5,673 5,345</b>
376	532	Impairment provisions for the period	1,292 1,164
(163)	(184)	Impairment provisions reversed	(545) (496)
(69)	(77)	Value adjustment of repossessed properties	(108) (108)
(141)	(173)	Impairment provisions recognised as lost	(499) (524)
<b>970</b>	<b>1,492</b>	<b>Impairment provisions, end of period</b>	<b>5,813 5,381</b>
<b>10 d. Collective impairment provisions for loans and advances</b>			
<b>815</b>	<b>657</b>	<b>Impairment provisions, beginning of period</b>	<b>1,339 1,434</b>
76	91	Net impairment provisions for the period	59 215
<b>891</b>	<b>748</b>	<b>Impairment provisions, end of period</b>	<b>1,398 1,649</b>

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2012	H1/2013	H1/2013	H1/2012
<b>10. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)</b>			
<b>10 e. Individual impairment provisions for receivables from credit institutions</b>			
-	-	-	-
-	10	29	-
-	<b>10</b>	<b>29</b>	<b>-</b>
<b>10 f. Specification of loans, advances and receivables as well as receivables from credit institutions with objective evidence of impairment</b>			
4,804	7,254	15,513	13,177
970	1,492	5,813	5,381
<b>3,835</b>	<b>5,761</b>	<b>9,700</b>	<b>7,796</b>
46,003	44,205	118,479	131,549
891	748	1,398	1,649
<b>45,112</b>	<b>43,457</b>	<b>117,082</b>	<b>129,900</b>
-	29	54	-
-	10	29	-
-	<b>19</b>	<b>25</b>	<b>-</b>
<b>10 g. Impairment losses on repossessed properties</b>			
262	320	448	358
69	77	108	108
82	76	111	116
(10)	(17)	(47)	(22)
(108)	(133)	(156)	(138)
<b>295</b>	<b>323</b>	<b>464</b>	<b>422</b>
Impairment losses on repossessed properties have been offset against "Assets in temporary possession".			
<b>11. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES</b>			
9	19	49	9
535	703	-	-
<b>544</b>	<b>722</b>	<b>49</b>	<b>9</b>
<b>12. TAX</b>			
18.0	9.4	15.8	24.0
The Group's effective tax rate was affected by tax-exempt gains on equities. Adjusted for such gains, the Nykredit Group's effective tax rate was 22.0% in H1/2013.			

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2012	30.06.2013	30.06.2013	31.12.2012
<b>13. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>			
-	-	-	1,746
31,526	25,446	36,764	48,930
<b>31,526</b>	<b>25,446</b>	<b>36,764</b>	<b>50,677</b>
3,364	2,779	20,188	20,633
<b>14. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>			
614,848	603,804	1,133,557	1,136,445
288	307	493	408
-	-	48,797	35,401
26,305	31,914	-	-
520,658	489,751	-	-
<b>1,162,099</b>	<b>1,125,776</b>	<b>1,182,848</b>	<b>1,172,253</b>
-	-	48,797	35,401
<b>14 a. Mortgage loans</b>			
<b>595,273</b>	<b>600,042</b>	<b>1,108,796</b>	<b>1,067,606</b>
86,574	24,559	61,236	217,333
618	430	430	618
1,264	(715)	(715)	1,264
(11,925)	(6,454)	(9,938)	(16,617)
(71,762)	(24,990)	(46,058)	(161,408)
<b>600,042</b>	<b>592,872</b>	<b>1,113,752</b>	<b>1,108,796</b>
(391)	(321)	(520)	(611)
262	259	259	262
<b>599,914</b>	<b>592,810</b>	<b>1,113,491</b>	<b>1,108,447</b>
<b>16,869</b>	<b>13,105</b>	<b>23,028</b>	<b>30,719</b>
<b>Adjustment for credit risk</b>			
(1,277)	(1,362)	(1,687)	(1,618)
(657)	(748)	(1,274)	(1,103)
<b>614,848</b>	<b>603,804</b>	<b>1,133,557</b>	<b>1,136,445</b>
For total loans and advances, Nykredit has received mortgages on properties and:			
25,552	26,148	34,134	33,265
945	937	9,391	9,196
4,811	1,823	11,430	16,533
<b>14 b. Arrears and outlays</b>			
371	357	467	486
34	80	276	156
(117)	(130)	(250)	(234)
<b>288</b>	<b>307</b>	<b>493</b>	<b>408</b>

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2012	30.06.2013	30.06.2013	31.12.2012
<b>14. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE (continued)</b>			
<b>14 c. Totalkredit mortgage loan funding</b>			
455,052	509,107		
<b>Balance, beginning of period, nominal value</b>		-	-
281,437	90,280		
New loans		-	-
(2,791)	(1,689)		
Ordinary principal payments		-	-
(224,590)	(115,807)		
Prepayments and extraordinary principal payments		-	-
<b>509,107</b>	<b>481,892</b>	<b>-</b>	<b>-</b>
<b>Balance, end of period, nominal value</b>			
11,550	7,859		
Adjustment for interest rate risk		-	-
<b>520,658</b>	<b>489,751</b>	<b>-</b>	<b>-</b>
<b>Balance, end of period, fair value</b>			
<b>15. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST</b>			
-	-	54,353	53,785
Bank loans and advances			
30	29	-	-
Totalkredit mortgage loan funding			
-	-	31	31
Mortgage loans			
386	392	396	390
Other loans and advances			
<b>416</b>	<b>421</b>	<b>54,780</b>	<b>54,207</b>
<b>Balance, end of period</b>			
<b>Adjustment for credit risk</b>			
-	-	(3,876)	(3,822)
Individual impairment provisions			
-	-	(124)	(236)
Collective impairment provisions			
<b>416</b>	<b>421</b>	<b>50,781</b>	<b>50,149</b>
<b>Balance after impairment, end of period</b>			
(38)	(37)	(37)	(38)
Set-off of self-issued "Other loans and advances" against "Issued bonds at amortised cost" – note 21			
<b>378</b>	<b>385</b>	<b>50,745</b>	<b>50,111</b>
<b>Total</b>			
<b>16. BONDS AT FAIR VALUE</b>			
59,493	18,643	58,806	137,386
Self-issued SDOs			
93,777	41,908	75,444	113,726
Self-issued ROs			
30,601	9,750	52,946	65,368
Other ROs			
3,648	2,248	8,526	8,105
Government bonds			
4,981	2,778	11,143	11,361
Other bonds			
<b>192,501</b>	<b>75,327</b>	<b>206,866</b>	<b>335,946</b>
<b>Total</b>			
(93,777)	(41,908)	(75,444)	(113,726)
Set-off of self-issued ROs against "Issued bonds at fair value" – note 20			
(59,492)	(18,613)	(58,776)	(137,385)
Set-off of self-issued SDOs against "Issued bonds at fair value" – note 20			
(851)	-	(2,398)	(3,453)
Set-off of self-issued junior covered bonds against "Issued bonds at fair value" – note 20			
(1)	(30)	(30)	(1)
Set-off of self-issued SDOs against "Issued bonds at amortised cost" – note 21			
-	-	(1,960)	(2,327)
Set-off of self-issued other bonds against "Issued bonds at amortised cost" – note 21			
<b>38,379</b>	<b>14,776</b>	<b>68,258</b>	<b>79,055</b>
<b>Total</b>			
13,175	4,724	7,310	16,774
Of bonds at fair value before set-off of self-issued bonds:			
Redeemed bonds			
2,314	1,509	13,645	16,612
As collateral security for the Danish central bank and foreign clearing centres, bonds have been deposited of a total market value of			
Collateral security was provided on an arm's length basis.			

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2012	30.06.2013		30.06.2013	31.12.2012
<b>17. OTHER ASSETS</b>				
10,718	9,186	Interest and commission receivable	12,047	11,763
387	272	Receivables from group enterprises	-	-
4,615	3,721	Positive market value of derivative financial instruments	36,198	46,832
204	205	Defined benefit plans	205	204
158	170	Other assets	4,715	925
<b>16,083</b>	<b>13,554</b>	<b>Total</b>	<b>53,165</b>	<b>59,724</b>
<b>18. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
48,597	14,703	Payables to credit institutions	49,319	67,293
-	-	Payables to central banks	-	246
<b>48,597</b>	<b>14,703</b>	<b>Total</b>	<b>49,319</b>	<b>67,539</b>
44,009	12,900	Of which genuine sale and repurchase transactions	36,107	56,993
<b>19. DEPOSITS AND OTHER PAYABLES</b>				
-	-	On demand	40,599	37,994
-	-	At notice	5,822	5,851
-	-	Time deposits	13,719	10,639
-	-	Special deposits	3,104	26
-	-	<b>Total</b>	<b>63,245</b>	<b>54,509</b>
<b>20. ISSUED BONDS AT FAIR VALUE</b>				
330,648	309,235	ROs	362,503	389,323
924,598	816,929	SDOs	816,929	924,598
44,460	43,594	Junior covered bonds	43,594	44,460
<b>1,299,706</b>	<b>1,169,758</b>	<b>Total</b>	<b>1,223,026</b>	<b>1,358,381</b>
(154,121)	(60,521)	Self-issued bonds transferred from "Bonds at fair value" – note 16	(136,618)	(254,563)
<b>1,145,585</b>	<b>1,109,237</b>	<b>Total</b>	<b>1,086,408</b>	<b>1,103,818</b>
<b>20 a. ROs</b>				
318,609	298,919	ROs at nominal value	350,114	374,974
12,040	10,316	Fair value adjustment	12,389	14,349
<b>330,648</b>	<b>309,235</b>	<b>ROs at fair value</b>	<b>362,503</b>	<b>389,323</b>
(93,777)	(41,908)	Self-issued ROs transferred from "Bonds at fair value" – note 16	(75,444)	(113,726)
<b>236,871</b>	<b>267,327</b>	<b>Total</b>	<b>287,059</b>	<b>275,598</b>
583	68	Of which pre-issuance	68	583
35,295	20,073	ROs for redemption at next creditor payment date	21,757	37,564

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2012	30.06.2013		30.06.2013	31.12.2012
<b>20. ISSUED BONDS AT FAIR VALUE (continued)</b>				
<b>20 b. SDOs</b>				
908,165	806,246	SDOs at nominal value	806,246	908,165
16,432	10,683	Fair value adjustment	10,683	16,432
<b>924,598</b>	<b>816,929</b>	<b>SDOs at fair value</b>	<b>816,929</b>	<b>924,598</b>
(59,492)	(18,613)	Self-issued SDOs transferred from "Bonds at fair value" – note 16	(58,776)	(137,385)
<b>865,106</b>	<b>798,316</b>	<b>Total</b>	<b>758,153</b>	<b>787,212</b>
1,932	177	Of which pre-issuance	177	1,932
125,522	6,497	SDOs for redemption at next creditor payment date	6,497	125,522
<b>20 c. Junior covered bonds</b>				
43,320	42,468	Junior covered bonds at nominal value	42,468	43,320
1,140	1,126	Fair value adjustment	1,126	1,140
<b>44,460</b>	<b>43,594</b>	<b>Junior covered bonds at fair value</b>	<b>43,594</b>	<b>44,460</b>
(851)	-	Self-issued junior covered bonds transferred from "Bonds at fair value" – note 16	(2,398)	(3,453)
<b>43,609</b>	<b>43,594</b>	<b>Total</b>	<b>41,196</b>	<b>41,008</b>
-	-	Junior covered bonds for redemption at next creditor payment date	-	-
<b>21. ISSUED BONDS AT AMORTISED COST</b>				
-	-	Corporate bonds	28,502	29,740
61	30	SDOs	30	61
-	3,636	Junior covered bonds	3,636	-
120	106	Employee bonds	127	120
40	43	Other securities	43	40
<b>221</b>	<b>3,814</b>	<b>Total</b>	<b>32,338</b>	<b>29,961</b>
-	-	Self-issued corporate bonds transferred from "Bonds at fair value" – note 16	(1,960)	(2,327)
(1)	(30)	Self-issued SDOs transferred from "Bonds at fair value" – note 16	(30)	(1)
(38)	(37)	Other self-issued securities transferred from "Loans, advances and other receivables at amortised cost" – note 15	(37)	(38)
<b>182</b>	<b>3,747</b>	<b>Total</b>	<b>30,311</b>	<b>27,595</b>
<b>22. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE</b>				
-	-	Deposits at fair value	27,808	17,718
2,025	2,530	Negative securities portfolios	16,486	16,839
<b>2,025</b>	<b>2,530</b>	<b>Total</b>	<b>44,294</b>	<b>34,557</b>
-	-	Of which genuine sale and repurchase transactions	27,808	17,718



## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2012	30.06.2013		30.06.2013	31.12.2012
<b>23. OTHER LIABILITIES</b>				
14,804	10,648	Interest and commission payable	16,901	21,477
6,244	4,775	Negative market value of derivative financial instruments	37,423	48,939
399	405	Payables relating to the purchase of Totalkredit shares	367	361
2,125	2,216	Other liabilities	4,858	4,321
<b>23,570</b>	<b>18,044</b>	<b>Total</b>	<b>59,550</b>	<b>75,099</b>
<b>24. SUBORDINATED DEBT</b>				
Subordinated debt consists of financial liabilities in the form of hybrid capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.				
Subordinated debt is included in the capital base in accordance with the Danish Executive Order on capital base determination.				
<b>Hybrid capital</b>				
-	-	Nom DKK 100m. The loan is perpetual and carries an interest rate of 1.7% pa above 3M Cibor	100	100
-	-	Nom DKK 150m. The loan is perpetual and carries a fixed interest rate of 6.3% pa	150	150
3,971	3,896	Nom EUR 500m. 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% pa up to 22 September 2014, after which date it will carry a floating interest rate	3,896	3,971
7,064	6,963	Nom EUR 900m. The loan is perpetual, but may be redeemed at par (100) from 1 April 2015. The loan carries a fixed interest rate of 9.0% pa up to 1 April 2015, after which date the interest rate will be fixed every 5 years	6,963	7,064
<b>11,035</b>	<b>10,859</b>	<b>Total hybrid capital</b>	<b>11,109</b>	<b>11,285</b>
-	-	Portfolio of self-issued bonds	(24)	(5)
<b>11,035</b>	<b>10,859</b>	<b>Total subordinated debt</b>	<b>11,085</b>	<b>11,281</b>
10,445	10,442	Subordinated debt that may be included in the capital base	10,668	10,690

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2012	30.06.2013	30.06.2013	31.12.2012
<b>25. OFF-BALANCE SHEET ITEMS</b>			
Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheets are presented below.			
-	-		
		-	-
1,620	1,318	5,779	4,806
		8,094	9,213
<b>1,620</b>	<b>1,318</b>	<b>13,873</b>	<b>14,019</b>
<b>25 a. Contingent liabilities</b>			
-	-		
		-	-
		1,697	1,739
		723	596
		3,359	2,471
-	-	<b>5,779</b>	<b>4,806</b>
"Other contingent liabilities" chiefly comprises purchase money and payment guarantees.			
<b>25 b. Other commitments</b>			
10	3		
		-	-
1,610	1,315	6,584	7,338
		1,510	1,875
<b>1,620</b>	<b>1,318</b>	<b>8,094</b>	<b>9,213</b>

"Other liabilities" under "Other commitments" comprises obligations to and charges in favour of securities depositories, investment commitments to private equity funds and non-cancellable lease payments.

**Other contingent liabilities**

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

Nykredit Bank A/S participates in the mandatory Danish deposit guarantee scheme, the Danish Guarantee Fund for Depositors and Investors. Participating banks must pay a fixed annual amount of 2.5‰ of the covered net deposits. Payment to the Fund's bank department is mandatory until the assets of the scheme exceed 1% of the covered net deposits of the sector. The bank department bears any direct losses on the winding-up of Danish banks, cf Bank Rescue Packages III and IV, to the extent the loss is attributable to the covered net deposits.

Any losses arising from the final winding-up are covered by the Fund through its winding-up and restructuring department. Nykredit Bank's share of the expense will amount to about 3%.

Nykredit Realkredit A/S has issued a letter of comfort stating that Nykredit Realkredit A/S will contribute capital to Nykredit Bank A/S to ensure that Nykredit Bank A/S's Tier 1 capital calculated according to the Basel II rules does not fall below 12-13%. However, Nykredit Realkredit A/S will not contribute capital to Nykredit Bank A/S if that will bring Nykredit Realkredit A/S's total capital ratio below the statutory capital requirement plus 0.5% or the internal capital adequacy requirement (ICAAP) plus 0.5%.

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

# Notes

## 25. OFF-BALANCE SHEET ITEMS (continued)

### Tax

The Danish tax authorities (SKAT) have proposed that Nykredit Bank's taxable income declared for 2008 and 2009 be changed.

The proposal is based on a review of exposures granted by Forstædernes Bank and subsequently assumed by the Nykredit Realkredit Group in connection with the acquisition of Forstædernes Bank. In 2010 Forstædernes Bank was merged with Nykredit Bank. As a result of the financial crisis and property market trends, Forstædernes Bank recorded considerable impairment losses on these exposures in 2008 and 2009 for accounting as well as tax purposes.

SKAT's review for the tax assessment years 2008 and 2009 has not been completed yet. However, in SKAT's opinion the loans were not granted on standard business terms and failed to comply with business procedures and instructions. For this reason, SKAT finds that there was no basis for deducting the impairment losses from the taxable income.

The tax effect for the tax assessment year 2008 could be to up to DKK 300m, but as the review has not been completed yet, the amount is provisional. In May 2013, SKAT announced a change to the tax assessment year 2009 which may result in a tax effect of around DKK 350m.

Nykredit Bank's management disagrees with the argumentation of SKAT and is of the opinion that the loans were granted on standard business terms, in accordance with Forstædernes Bank's policies and business procedures. The loans were moreover granted up to five years prior to the financial crisis, at which time the adverse effects of the property market development were unforeseeable.

Should SKAT uphold that a tax deduction cannot be obtained, Nykredit Bank will appeal against SKAT's decision. In Nykredit Bank's opinion, the probability that the courts will find for SKAT in case of legal action is negligible as the loans were originally granted on standard business terms. A judgement delivered by the Danish Supreme Court (no SKM2012.353 of 1 June 2012) sustains Nykredit Bank's view. On this basis, the tax charge has not been adjusted.

## 26. 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 in 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 H1/2013.

The companies have entered into various agreements as a natural part of the Group's day-to-day operations. The agreements typically involve finance, guarantees, 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.

Significant related party transactions prevailing/entered into in H1/2013 include:

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

Nykredit Realkredit A/S has granted loans to Totalkredit A/S serving as collateral in Totalkredit's capital centres. At 30 June 2013, the loan amounted to DKK 31.9bn.

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

Nykredit Realkredit A/S has granted loans of DKK 3,100m to Totalkredit A/S in the form of subordinated debt.

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

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

## Notes

DKK million

The Nykredit Realkredit Group

## 27. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Financial instruments at fair value by measurement category (the IFRS hierarchy)

2013	Listed prices	Observable inputs	Unobservable inputs	Total fair value
<b>Financial instruments in the form of assets:</b>				
<b>Recognised as trading book:</b>				
- receivables from credit institutions and central banks <sup>1</sup>	-	20,188	-	20,188
- other loans and advances	-	48,797	-	48,797
- bonds at fair value	57,856	9,932	470	68,258
- equities measured at fair value through profit or loss	419	-	1,161	1,581
- positive fair value of derivative financial instruments	585	34,637	976	36,198
<b>Recognised through the fair value option:</b>				
- mortgage loans, arrears and outlays	1,057,000	77,051	-	1,134,051
<b>Recognised as available for sale:</b>				
- equities available for sale	462	-	279	740
<b>Total</b>	<b>1,116,322</b>	<b>190,605</b>	<b>2,887</b>	<b>1,309,813</b>
<b>Financial instruments in the form of liabilities:</b>				
<b>Recognised as trading book:</b>				
- payables to credit institutions and central banks <sup>1</sup>	-	36,107	-	36,107
- other non-derivative financial liabilities at fair value	15,425	28,870	-	44,294
- negative fair value of derivative financial instruments	542	36,664	218	37,423
<b>Recognised through the fair value option:</b>				
- issued bonds at fair value	1,076,029	10,379	-	1,086,408
<b>Total</b>	<b>1,091,995</b>	<b>112,020</b>	<b>218</b>	<b>1,204,233</b>
<b>Financial instruments measured on the basis of unobservable inputs</b>				
<b>Fair value, beginning of period, financial assets</b>			<b>2,751</b>	
Unrealised capital gains/losses recognised in "Value adjustments" in the income statement			(192)	
Realised capital gains/losses recognised in "Value adjustments" in the income statement			37	
Unrealised capital gains/losses recognised in "Fair value adjustment of equities available for sale" under "Other comprehensive income"			20	
Purchases for the period			170	
Sales for the period			(187)	
Redemptions for the period			(210)	
Transferred from Listed prices and Observable inputs			499	
<b>Fair value, end of period, financial assets</b>			<b>2,887</b>	
<b>Fair value, beginning of period, financial liabilities</b>			<b>166</b>	
Unrealised capital gains/losses recognised in "Value adjustments" in the income statement			52	
<b>Fair value, end of period, financial liabilities</b>			<b>218</b>	

<sup>1</sup> "Receivables from credit institutions and central banks" and "Payables to credit institutions and central banks" consist of genuine sale and repurchase transactions as well as genuine purchase and resale transactions recognised at fair value.

Transfers from Observable inputs to Unobservable inputs consist of interest rate swaps adjusted for increased credit risk stemming from a credit value adjustment model (DKK 458m) and of four untraded bonds (DKK 41m) for which measurement is subject to significant elements of unobservable inputs.

In accordance with the commencement provisions for IFRS 13, no comparative figures have been stated for H1/2012.

# Notes

The Nykredit Realkredit Group

## 27. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Listed prices

The Group's assets and liabilities at fair value are to the widest extent possible recognised at listed prices or prices quoted in an active market or authorised market place.

### Observable inputs

When an instrument is not traded in an active market, measurement is based on observable inputs and the use of generally accepted calculation models as well as valuation and estimation techniques such as discounted cash flows and option models.

Observable inputs are typically yield curves, volatilities and market prices of similar instruments which are usually obtained through ordinary providers such as Reuters, Bloomberg or market makers. If the fair value is based on transactions in similar instruments, measurement is exclusively based on transactions at arm's length. Reverse lending and repo deposits as well as unlisted derivatives generally belong in this category.

Measurement techniques are generally applied to measure derivatives and unlisted assets and liabilities.

In some cases, markets, eg the bond market, have become inactive and illiquid. When assessing market transactions, it may therefore be difficult to conclude whether the transactions were executed at arm's length or were forced sales. If measurement is based on recent transactions, the transaction price is compared with a price based on relevant yield curves and discounting techniques.

### Unobservable inputs

When it is not possible to measure financial instruments at fair value through active market prices or observable inputs, measurement is made on the basis of internal assumptions and extrapolation. Where possible and appropriate, measurement is based on actual transactions adjusted for differences in eg the liquidity, credit spreads and maturities of the instruments. The Group's unlisted equities are generally classified under this heading although measurement is based on the IPEV Valuation Guidelines.

Positive market values of a number of interest rate swaps with customers in Nykredit Bank's lowest rating categories have been adjusted for increased credit risk stemming from a credit value adjustment model. The model uses for instance the statistical data applied by Nykredit Bank to calculate collective impairment provisions for loans and advances at amortised cost.

Measurement, notably of instruments categorised as unobservable inputs, is subject to some uncertainty. Of total assets and liabilities, DKK 2,887m and DKK 218m, respectively, can be ascribed to this category. Assuming that actual transaction prices will deviate by +/- 10% from the calculated fair value, the earnings impact will be approximately DKK 267m.

## Notes

DKK million

The Nykredit Realkredit Group	Q2/ 2013	Q1/ 2013	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012	Q4/ 2011
<b>28. SEVEN-QUARTER FINANCIAL HIGHLIGHTS</b>							
<b>Core income from</b>							
Business operations	2,499	2,475	1,986	2,233	2,255	2,222	2,098
Securities	28	35	21	26	76	89	159
<b>Total</b>	<b>2,527</b>	<b>2,510</b>	<b>2,007</b>	<b>2,259</b>	<b>2,332</b>	<b>2,311</b>	<b>2,257</b>
Operating costs, depreciation and amortisation	1,422	1,454	1,507	1,373	1,443	1,272	1,694
<b>Core earnings before impairment losses</b>	<b>1,105</b>	<b>1,056</b>	<b>500</b>	<b>886</b>	<b>889</b>	<b>1,039</b>	<b>563</b>
Impairment losses on loans and advances, including the government guarantee scheme	242	687	616	542	497	494	516
<b>Core earnings after impairment losses</b>	<b>863</b>	<b>370</b>	<b>(115)</b>	<b>344</b>	<b>392</b>	<b>545</b>	<b>47</b>
Investment portfolio income	331	669	155	756	183	1,350	126
<b>Profit before cost of capital</b>	<b>1,194</b>	<b>1,039</b>	<b>40</b>	<b>1,100</b>	<b>575</b>	<b>1,894</b>	<b>173</b>
Net interest on hybrid capital	(111)	(115)	(117)	(117)	(116)	(115)	(115)
<b>Profit (loss) before tax</b>	<b>1,083</b>	<b>923</b>	<b>(77)</b>	<b>983</b>	<b>459</b>	<b>1,780</b>	<b>57</b>
Tax	284	32	(106)	144	95	442	48
<b>Profit for the period</b>	<b>798</b>	<b>891</b>	<b>29</b>	<b>839</b>	<b>362</b>	<b>1,339</b>	<b>10</b>
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	(3)	1	74	(16)	(5)	7	(5)
Value adjustment of strategic equities	89	146	(48)	148	(78)	213	(82)
Other adjustment of strategic equities	(89)	(620)	(122)	(286)	-	(65)	-
Value adjustment of owner-occupied properties	7	-	53	-	-	-	21
<b>Total other comprehensive income</b>	<b>4</b>	<b>(472)</b>	<b>(42)</b>	<b>(154)</b>	<b>(83)</b>	<b>155</b>	<b>(67)</b>
<b>Comprehensive income for the period</b>	<b>802</b>	<b>419</b>	<b>(13)</b>	<b>685</b>	<b>279</b>	<b>1,494</b>	<b>(57)</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>							
	30.06.2013	31.03.2013	31.12.2012	30.09.2012	30.06.2012	31.03.2012	31.12.2011
<b>Assets</b>							
Cash balance and receivables from credit institutions and central banks	38,859	39,997	60,174	50,620	61,440	63,900	66,258
Mortgage loans at fair value	1,133,557	1,136,605	1,136,445	1,128,680	1,120,214	1,097,992	1,083,991
Bank loans – excluding reverse transactions	50,354	50,192	49,728	53,980	55,203	55,935	55,776
Bonds and equities	70,579	73,391	82,413	92,371	95,773	94,919	100,794
Remaining assets	111,028	111,827	104,645	109,936	101,002	94,790	86,086
<b>Total assets</b>	<b>1,404,378</b>	<b>1,412,012</b>	<b>1,433,405</b>	<b>1,435,587</b>	<b>1,433,632</b>	<b>1,407,537</b>	<b>1,392,905</b>
<b>Liabilities and equity</b>							
Payables to credit institutions and central banks	49,319	49,486	67,539	80,506	100,888	108,335	117,626
Deposits and other payables	63,245	64,994	54,509	53,498	55,281	56,673	57,404
Issued bonds at fair value	1,086,408	1,101,262	1,103,818	1,082,066	1,066,902	1,041,153	1,021,942
Subordinated debt	11,085	11,184	11,281	11,322	11,254	11,246	11,204
Remaining liabilities	135,694	127,260	138,701	150,625	142,423	133,526	129,419
Equity	58,627	57,825	57,556	57,569	56,884	56,604	55,310
<b>Total liabilities and equity</b>	<b>1,404,378</b>	<b>1,412,012</b>	<b>1,433,405</b>	<b>1,435,587</b>	<b>1,433,632</b>	<b>1,407,537</b>	<b>1,392,905</b>
<b>FINANCIAL RATIOS</b>							
Profit for the period as % of average equity pa	5.5	6.2	0.2	5.9	2.6	9.6	0.1
Core earnings before impairment losses as % of average equity pa	7.6	7.3	3.5	6.2	6.3	7.4	4.1
Core earnings after impairment losses as % of average equity pa	5.9	2.6	(0.8)	2.4	2.8	3.9	0.3
Total provisions for loan impairment and guarantees	7,325	7,308	7,094	7,262	7,111	7,040	6,892
Impairment losses for the period, %	0.02	0.06	0.05	0.04	0.04	0.04	0.04
Total capital ratio, %	20.0	19.1	19.1	18.6	17.5	17.2	17.1
Tier 1 capital ratio, %	20.0	19.1	19.1	18.6	17.5	17.3	17.1
Average number of full-time staff	4,049	4,059	4,115	4,118	4,124	4,125	4,139

## Notes

DKK million

The Nykredit Realkredit Group	Q2/ 2013	Q1/ 2013	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012	Q4/ 2011
<b>28. SEVEN-QUARTER FINANCIAL HIGHLIGHTS (continued)</b>							
Net interest income	2,382	2,487	2,697	2,793	2,629	2,718	2,689
Net fee income	14	(41)	60	(5)	102	164	133
<b>Net interest and fee income</b>	<b>2,396</b>	<b>2,446</b>	<b>2,758</b>	<b>2,787</b>	<b>2,732</b>	<b>2,882</b>	<b>2,821</b>
Value adjustments	294	543	(796)	33	(389)	605	(612)
Other operating income	55	56	67	57	53	53	59
Staff and administrative expenses	1,249	1,233	1,294	1,165	1,263	1,078	1,331
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	190	193	206	191	184	184	359
Other operating expenses	13	27	7	17	(4)	10	4
Impairment losses on loans, advances and receivables	242	687	616	542	497	494	516
Profit (loss) from investments in associates	31	18	17	21	3	7	(1)
<b>Profit (loss) before tax</b>	<b>1,083</b>	<b>923</b>	<b>(77)</b>	<b>983</b>	<b>458</b>	<b>1,781</b>	<b>57</b>
Tax	284	32	(106)	144	95	442	48
<b>Profit for the period</b>	<b>798</b>	<b>891</b>	<b>29</b>	<b>839</b>	<b>362</b>	<b>1,339</b>	<b>10</b>
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	(3)	1	74	(16)	(5)	7	(5)
Value adjustment of strategic equities	89	146	(48)	148	(78)	213	(82)
Other adjustment of strategic equities	(89)	(620)	(122)	(286)	-	(65)	-
Value adjustment of owner-occupied properties	7	-	53	-	-	-	21
<b>Total other comprehensive income</b>	<b>4</b>	<b>(472)</b>	<b>(42)</b>	<b>(154)</b>	<b>(83)</b>	<b>155</b>	<b>(67)</b>
<b>Comprehensive income for the period</b>	<b>802</b>	<b>419</b>	<b>(13)</b>	<b>685</b>	<b>279</b>	<b>1,494</b>	<b>(57)</b>
<b>FINANCIAL RATIOS<sup>1</sup></b>							
Total capital ratio, %	20.0	19.1	19.1	18.6	17.5	17.2	17.1
Tier 1 capital ratio, %	20.0	19.1	19.1	18.6	17.5	17.2	17.1
Return on equity before tax	1.8	0.9	(0.4)	1.6	0.6	3.5	(0.1)
Return on equity after tax	1.4	0.7	(0.2)	1.2	0.5	2.7	(0.1)
Income:cost ratio	1.63	1.23	0.88	1.47	1.18	2.12	0.97
Foreign exchange position, %	0.4	0.8	0.6	0.3	0.6	0.8	0.8
Loans and advances:equity (loan gearing)	21.0	21.3	21.2	21.2	21.2	21.0	21.0
Growth in loans and advances for the period, %	0.9	0.7	0.1	0.4	1.5	2.2	1.5
Total impairment provisions, %	0.59	0.59	0.57	0.59	0.58	0.59	0.59
Impairment losses for the period, %	0.02	0.06	0.05	0.04	0.04	0.04	0.04

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. As a result, the calculation of financial ratios is based on profit for the period including value and other adjustment of strategic equities. Definitions appear from note 51 in the Annual Report for 2012.

## Notes

DKK million

Nykredit Realkredit A/S	H1/ 2013	H1/ 2012	H1/ 2011	H1/ 2010	H1/ 2009
<b>29. FIVE-YEAR FINANCIAL HIGHLIGHTS</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest income	2,142	2,715	2,318	2,705	2,589
Net fee income	317	494	324	348	344
<b>Net interest and fee income</b>	<b>2,460</b>	<b>3,209</b>	<b>2,642</b>	<b>3,053</b>	<b>2,933</b>
Value adjustments	316	383	(507)	(439)	1,567
Other operating income	12	5	18	49	39
Staff and administrative expenses	1,286	1,212	1,443	1,158	1,273
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	366	351	330	324	290
Impairment losses on loans, advances and receivables	513	419	403	434	227
Profit (loss) from investments in associates and group enterprises	722	544	575	2,037	(59)
<b>Profit before tax</b>	<b>1,342</b>	<b>2,160</b>	<b>551</b>	<b>2,781</b>	<b>2,689</b>
Tax	126	389	(157)	175	540
<b>Profit for the period</b>	<b>1,216</b>	<b>1,771</b>	<b>708</b>	<b>2,607</b>	<b>2,149</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>30.06.2010</b>	<b>30.06.2009</b>
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	26,393	30,074	26,634	30,297	25,052
Mortgage loans at fair value	603,804	617,753	581,530	572,456	530,809
Totalkredit mortgage loan funding	489,751	459,795	382,442	366,284	317,425
Bonds and equities	16,780	53,524	57,751	67,488	50,448
Remaining assets	81,652	74,748	60,685	55,484	48,955
<b>Total assets</b>	<b>1,218,380</b>	<b>1,235,895</b>	<b>1,109,042</b>	<b>1,092,008</b>	<b>972,688</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	14,703	67,983	62,512	102,156	70,660
Issued bonds	1,109,237	1,073,781	949,479	891,684	812,162
Subordinated debt	10,859	11,015	10,678	14,644	7,645
Remaining liabilities	24,954	26,232	30,658	29,663	29,753
Equity	58,627	56,884	55,716	53,861	52,469
<b>Total liabilities and equity</b>	<b>1,218,380</b>	<b>1,235,895</b>	<b>1,109,042</b>	<b>1,092,008</b>	<b>972,688</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Other commitments	1,318	1,805	1,585	1,261	1,629
<b>FINANCIAL RATIOS<sup>1</sup></b>					
Total capital ratio, %	17.1	16.0	17.9	18.5	17.1
Tier 1 capital ratio, %	17.1	16.0	17.9	17.7	16.2
Return on equity before tax	2.3	3.9	1.0	5.3	5.2
Return on equity after tax	2.1	3.2	1.3	5.0	4.2
Income:cost ratio	1.62	2.09	1.25	2.45	2.50
Loans and advances:equity (loan gearing)	10.3	10.9	10.5	10.6	10.2
Growth in loans and advances for the period, %	(1.2)	1.7	1.7	2.5	4.6
Total impairment provisions, %	0.37	0.30	0.32	0.28	0.10
Impairment losses for the period, %	0.08	0.07	0.07	0.08	0.04

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 51 in the Annual Report 2012.



## Notes

DKK million

The Nykredit Realkredit Group	H1/ 2013	H1/ 2012	H1/ 2011	H1/ 2010	H1/ 2009
<b>29. FIVE-YEAR FINANCIAL HIGHLIGHTS (continued)</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest income	4,869	5,348	4,944	5,532	5,330
Net fee income	(27)	266	167	319	322
<b>Net interest and fee income</b>	<b>4,842</b>	<b>5,614</b>	<b>5,111</b>	<b>5,851</b>	<b>5,652</b>
Value adjustments	838	215	(67)	(21)	1,284
Other operating income	111	106	111	89	70
Staff and administrative expenses	2,482	2,341	2,535	2,358	2,427
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	383	368	393	398	381
Other operating expenses	40	6	91	252	255
Impairment losses on loans, advances and receivables	929	991	745	1,246	1,831
Profit (loss) from investments in associates	49	9	10	3	(2)
<b>Profit before tax</b>	<b>2,006</b>	<b>2,238</b>	<b>1,402</b>	<b>1,667</b>	<b>2,112</b>
Tax	317	537	194	439	530
Profit from discontinued insurance operations	-	-	-	1,512	111
<b>Profit for the period</b>	<b>1,690</b>	<b>1,701</b>	<b>1,208</b>	<b>2,739</b>	<b>1,693</b>
Value adjustment and reclassification of strategic equities against equity totalling	(474)	70	(499)	(133)	455
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
	<b>30.06.2013</b>	<b>30.06.2012</b>	<b>30.06.2011</b>	<b>30.06.2010</b>	<b>30.06.2009</b>
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	38,859	61,440	36,779	51,781	47,999
Mortgage loans at fair value	1,133,557	1,120,214	1,040,134	1,022,068	942,634
Bank loans – excluding reverse transactions	50,354	55,203	57,281	61,344	65,802
Bonds and equities	70,579	95,773	79,005	103,123	111,531
Remaining assets	111,028	101,002	62,665	77,407	72,811
<b>Total assets</b>	<b>1,404,378</b>	<b>1,433,632</b>	<b>1,275,864</b>	<b>1,315,723</b>	<b>1,240,777</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	49,319	100,888	79,120	142,828	132,244
Deposits and other payables	63,245	55,281	51,875	57,225	60,557
Issued bonds at fair value	1,086,408	1,066,902	971,772	925,137	884,926
Subordinated debt	11,085	11,254	11,444	15,779	8,954
Remaining liabilities	135,694	142,423	105,938	120,893	101,627
Equity	58,627	56,884	55,716	53,861	52,469
<b>Total liabilities and equity</b>	<b>1,404,378</b>	<b>1,433,632</b>	<b>1,275,864</b>	<b>1,315,723</b>	<b>1,240,777</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Contingent liabilities	5,779	6,191	5,664	6,896	8,927
Other commitments	8,094	9,278	7,899	8,619	11,523
<b>FINANCIAL RATIOS<sup>1</sup></b>					
Total capital ratio, %	20.0	17.5	19.5	18.4	16.7
Tier 1 capital ratio, %	20.0	17.5	19.5	17.2	15.5
Return on equity before tax	2.7	4.1	1.4	5.7	5.2
Return on equity after tax	2.1	3.2	1.3	5.0	4.2
Income:cost ratio	1.41	1.63	1.20	1.35	1.52
Foreign exchange position, %	0.4	0.6	0.3	1.0	1.8
Loans and advances:equity (loan gearing)	21.0	21.2	20.0	20.4	19.7
Growth in loans and advances for the period, %	1.6	3.7	1.8	2.6	3.1
Total impairment provisions, %	0.59	0.58	0.70	0.90	0.48
Impairment losses for the period, %	0.07	0.08	0.07	0.11	0.17

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. As a result, the calculation of financial ratios is based on profit for the period including value and other adjustment of strategic equities. Definitions appear from note 51 in the Annual Report for 2012.

## Notes

DKK million

## The Nykredit Realkredit Group

## 30. GROUP STRUCTURE

Name and registered office	Ownership interest as % at 30.06.2013	Profit for H1/2013	Equity at 30.06.2013	Profit for 2012	Equity at 31.12.2012
Totalkredit A/S, Taastrup, a)	100	222	15,311	522	15,090
Nykredit Bank A/S, Copenhagen, b)	100	431	14,702	69	14,271
Nykredit Pantebrevsinvestering A/S, Copenhagen, c)	100	0	12	0	12
Nykredit Portefølje Administration A/S, Copenhagen, h)	100	31	290	65	259
Nykredit Leasing A/S, Gladsaxe, f)	100	13	174	16	160
FB Ejendomme A/S, Copenhagen, e)	100	0	4	0	4
Nykredit Mægler A/S, Aarhus, d)	100	13	114	23	141
Nykredit Ejendomme A/S, Copenhagen, e)	100	22	497	49	469
Ejendomsselskabet Kalvebod A/S, Copenhagen, i)	100	15	233	9	218
Kalvebod Ejendomme I A/S, Copenhagen, e)	100	11	69	3	58
Kalvebod Ejendomme II A/S, Copenhagen, e)	100	4	65	6	61
Nykredit Adm. V A/S, Copenhagen, g)	100	0	1	0	1

The group structure only includes significant subsidiaries. Financial information is provided in such order as the companies are recognised in the Consolidated Financial Statements.

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

Nykredit Realkredit A/S is wholly owned by and consolidated with Nykredit Holding A/S, which is consolidated with Foreningen Nykredit.

The financial statements (in Danish) of Foreningen Nykredit and Nykredit Holding A/S are available from:

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

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