To the Copenhagen Stock Exchange and the press

9 November 2006

Q1-Q3 Interim Report
The Nykredit Realkredit Group
(1 January 2006 – 30 September 2006)

### Q1-Q3 - IN BRIEF

- Normalised mortgage lending market in 2006
  - Market gross new lending 45% lower than in 2005
  - Group market share of gross new mortgage lending is 40.5%
- Continued growth in loan portfolio
  - In Totalkredit by DKK 39bn to a nominal DKK 299bn
  - In Nykredit Realkredit by DKK 14bn to a nominal DKK 449bn
  - In Nykredit Bank by DKK 6bn to DKK 26bn
- Core earnings before provisions and investment income as expected
  - Decrease in Nykredit Realkredit and Totalkredit
  - Growth in Nykredit Bank, Nykredit Forsikring and Nykredit Mægler
- Strong Danish economy causes reversal of provisions
  - Total provisions for loan impairment now amount to DKK 487m
- Full-year earnings expectations adjusted upwards
  - Reversal of provisions
  - Increase in core and investment portfolio income from securities

### HIGHLIGHTS

- Profit before tax of DKK 2,816m
- Profit after tax including adjustment of strategic equities against equity was DKK 2,781m
- Core earnings before provisions and investment income of DKK 1,276m as expected
- Investment portfolio income of DKK 430m
- Group equity stood at DKK 49.9bn
- Group core capital was 10.8% including profit for the period
- Forecast Group annual results adjusted upwards by DKK 500m to DKK 3,500-3,800m

#### **OTHER**

- Nykredit sole shareholder of Totalkredit
- Nykredit strengthens its organisation

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Q1-Q3 INTERIM REPORT 2006 1/14

DKK million	Q1-Q3/2006	Q1-Q3/2005	FY2005
CORE EARNINGS AND PROFIT FOR THE PERIOD			
Core income from			
- Business operations	4,211	4,292	5,826
- Securities	834	598	825
Total	5,045	4,890	6,651
Operating costs, depreciation and amortisation	2,935	2,655	3,758
Core earnings before provisions	2,110	2,235	2,893
Provisions for loan impairment	(276)	(203)	(245)
Core earnings after provisions	2,386	2,438	3,138
Investment portfolio income	430	1,160	1,203
Profit before tax	2,816	3,598	4,341
Tax	736	979	1,161
Profit for the period	2,080	2,619	3,180
Profit for the period excludes value adjustment of			
strategic equities against equity	701	1,106	1,217
SUMMARY BALANCE SHEET, END OF PERIOD	30.09.2006	30.09.2005	31.12.2005
Assets			
Receivables from credit institutions and central banks	37,545	61,997	67,606
Mortgage loans	741,198	690,601	699,116
Bank loans – excluding reverse transactions	25,852	18,028	19,870
Bonds and equities	64,331	55,060	79,788
Other assets	26,393	29,567	23,634
Total assets	895,319	855,253	890,014
Liabilities and equity			
Payables to credit institutions and central banks	81,018	46,796	55,322
Deposits	20,593	24,984	21,808
Issued bonds	689,861	686,275	718,041
Hybrid core capital	3,794	4,007	3,940
Supplementary capital	4,986	6,065	6,104
Other liabilities Equity	45,151 49,916	39,150 47,976	36,107 48,692
Total liabilities and equity	895,319	855,253	890,014
FINANCIAL RATIOS	30.09.2006	30.09.2005	31.12.2005
Profit for the period as a % of average equity (pa)	5.8	8.1	6.8
Core earnings before provisions as a % of average equity (pa)	5.9	7.0	6.2
Core earnings after provisions as a % of average equity (pa)	6.7	8.1	6.8
Costs as a % of core income	58.2	51.3	56.5
Total impairment provisions	487	900	798
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	0.0	0.0	0.0
Impairment provisions for the period, %	0.0 11.1	0.0 11.7	0.0 12.4
Impairment provisions for the period, % Capital adequacy ratio, %			
Impairment provisions for the period, %	11.1	11.7	12.4

Q1-Q3 INTERIM REPORT 2006 2/14

## Q1-Q3/2006

Profit before tax for Q1-Q3/2006 of DKK 2,816m exceeded expectations. In comparison, profit before tax was DKK 3,598m in the same period last year, which was characterised by very high activity within mortgage finance

Core earnings before provisions matched expectations. Relative to the same period the year before, mortgage bank earnings went down, while bank and insurance earnings increased. Investment portfolio income was higher than expected, partly as a result of higher equity prices.

Profit after tax was DKK 2,080m against DKK 2,619m in 2005. Including the value adjustment of strategic equities against equity, profit after tax came to DKK 2,781m against DKK 3,725m in Q1-Q3/2005.

### Core earnings

Group core earnings after provisions were DKK 2,386m against DKK 2,438m in the same period the year before.

Group core income from business operations totalled DKK 4,211m against DKK 4,292m in Q1-Q3/2005.

Lending activities in the mortgage finance market have normalised following a record year in 2005. Gross new mortgage lending amounted to DKK 134bn against DKK 244bn in the same period the year before.

In terms of gross new lending, the Nykredit Group held a market share of 40.5% in the first nine months of 2006. Measured at nominal value, Group mortgage lending rose by nearly DKK 53bn to DKK 748bn against DKK 695bn at the beginning of the year. Combined with the lower gross new lending, the increased lending reflects a significant reduction in the number of borrowers refinancing their loans.

Measured by earnings, the continued increase in banking and insurance activities make up for the fact that mortgage banking activities normalised during the period compared with the record year 2005.

Core income from banking operations came to DKK 1,003m against DKK 857m in the same period the year before. The increase related primarily to Markets & Asset Management, which recorded an increase in core income from business operations to DKK 577m against DKK 470m in the same period the year before.

Core income from insurance operations included in total core income from business operations was DKK 179m compared with DKK 93m in the same period the year before. The lift in results was an effect of improved technical results. The combined ratio landed at 97.5 against 105.0 in the same period the year before.

Core income from securities increased by DKK 236m to DKK 834m against DKK 598m in the same period the year before. Core income from securities is calculated on the basis of short money market rates averaging 2.7% in Q1-Q3/2006.

Operating costs, depreciation and amortisation amounted to DKK 2,935m against DKK 2,655m in Q1-Q3/2005. The increase stems from higher IT and staff costs.

The higher IT costs were mainly attributable to the integration of Nykredit and Totalkredit's mortgage lending systems, including improved advisory functionalities. Apart from consequences of collective agreements, the rise in staff costs can be ascribed to growth within the Commercial Customers and the Markets & Asset Management areas.

Group provisions for loan impairment were recognised as an income of DKK 276m. Provisions for loan impairment reflect an unusually low level of loans in arrears and a strong Danish economy.

## Investment portfolio income

Nykredit's investment portfolio income came to DKK 430m, up DKK 474m on H1/2006. In comparison, investment portfolio income totalled DKK 1,160m in Q1-Q3 the year before.

The investment portfolio of bonds, liquidity and interest rate instruments generated income of DKK 203m against DKK 517m in Q1-Q3/2005. Equities and equity instruments correspondingly amounted to DKK 227m against DKK 643m in Q1-Q3/2005. To this, an income of DKK 728m should be added relating to strategic equities, which are adjusted against equity in the Consolidated Financial Statements.

### Financial risk

At 30 September 2006 Group Value-at-Risk stood at DKK 75m based on a 99% confidence interval over one day.

Q1-Q3 INTERIM REPORT 2006 3/14

The Group's interest rate exposure came to DKK 415m in case of a general interest rate change of 1 percentage point. The equities exposure in case of a general price decline of 10% was DKK 663m.

#### **Subsidiaries**

Totalkredit recorded a profit before tax of DKK 551m compared with DKK 568m in the same period the year before. For further information, please refer to Totalkredit's Q1-Q3 Interim Report 2006.

Lending by Totalkredit rose by a nominal DKK 39bn to DKK 299bn illustrating the position in the Danish market of local and regional banks.

The Nykredit Bank Group realised a profit before tax of DKK 591m compared with DKK 518m in the same period the year before. For further information, please refer to the Nykredit Bank Group's Q1–Q3 Interim Report 2006.

Nykredit Forsikring generated a profit before tax of DKK 125m against DKK 77m in the same period the year before.

#### Q3/2006 results

Profit before tax was DKK 1,470m in Q3/2006 against DKK 611m in Q2/2006.

The results were affected in particular by investment portfolio income of DKK 474m in Q3 against a negative DKK 162m in Q2.

In Q3 core earnings landed at DKK 996m against DKK 773m in Q2. The improvement was achieved as the lower core income from business operations was more than set off by lower operating cost levels in Q3. In addition to this, core income from securities rose as a result of an increase in risk-free interest rates and reversals of provisions for loan impairment.

Q1-Q3 INTERIM REPORT 2006 4/14

#### **BUSINESS AREAS**

Nykredit is a broad-based financial services provider organised in three intercompany business areas: Retail Customers, Commercial Customers and Markets & Asset Management.

Retail Customers comprises Nykredit's own distribution and Totalkredit mortgage lending arranged by local and regional banks. Retail Customers realised core earnings before provisions of DKK 767m for Q1-Q3/2006 against DKK 985m in 2005, primarily due to lower mortgage lending activity. Earnings from insurance increased. Results include amortisation of DKK 300m of intangible assets derived from the acquisition of Totalkredit. Gross new mortgage lending to retail customers amounted to DKK 100bn compared with DKK 167bn in the same period the year before.

Bank lending rose by DKK 1bn to DKK 6bn in Q1-Q3/2006.

Commercial Customers comprises business activities aimed at commercial and agricultural customers, etc. The Commercial Customers area realised core earnings before provisions of DKK 969m against DKK 1,057m in the same period the year before. Results reflect the lower level of mortgage lending, which was countered by increased bank earnings, however. Gross mortgage lending amounted to DKK 36bn compared with DKK 77bn in the same period the year before. Bank lending rose by just over DKK 5bn to just under DKK 20bn in Q1–Q3/2006.

Markets & Asset Management handles the business of the Nykredit Realkredit Group within securities trading, asset management and pension advice. Markets & Asset Management realised core earnings of DKK 269m against DKK 225m in 2005. The lift in core income of DKK 107m reflects a positive development in the trading, debt capital market and asset management activities of this business area.

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

### Results by business area - Q1-Q3/2006

DKKm	Ret	Retail		Commercial		& Asset	Group i	tems	Total	
	Custo	omers	Custo	Customers		Management		ninations		
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Core income from business operations	2,144	2,317	1,416	1,484	577	470	74	21	4,211	4,292
Core income from securities	-	-	-	-	-	-	834	598	834	598
Direct operating costs	1,063	1,022	446	426	308	245	737	585	2,554	2,278
Depreciation on property, plant and equipment										
and amortisation of intangible assets	314	310	1	1	-		66	66	381	377
Core earnings before provisions	767	985	969	1,057	269	225	105	(32)	2,110	2,235
Provisions for loan impairment	(85)	(21)	(191)	(183)	-		-	1	(276)	(203)
Core earnings after provisions	852	1,006	1,160	1,240	269	225	105	(33)	2,386	2,438
Investment portfolio income		-		-	-	-	430	1,160	430	1,160
Profit before tax	852	1,006	1,160	1,240	269	225	535	1,127	2,816	3,598
Return										
Average business capital, DKKm <sup>1</sup>	16,219	14,824	16,564	15,960	783	626	-	-	35,386	33,158
Core earnings after provisions as a %										
of average business capital (pa)	7.0	9.0	9.3	10.4	45.8	47.9	-	-	10.6	9.8
1) Statutory capital requirement										

Q1-Q3 INTERIM REPORT 2006 5/14

# GROUP BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

At end-Q3/2006 the Group's balance sheet totalled DKK 895bn against DKK 890bn at the beginning of the year.

Group mortgage lending measured at fair value increased by nearly DKK 42bn to DKK 741bn. Measured at nominal value, mortgage lending rose by DKK 53bn to DKK 748bn at end-Q3.

Bank lending amounted to DKK 26bn at end-Q3/2006 – a rise of nearly DKK 6bn relative to the beginning of the year.

Viewed separately, the purchase of the remaining shares in Totalkredit at 2 October 2006 reduced equity by DKK 1.5bn. Of the total purchase price of DKK 2.1bn, DKK 0.6bn related to acquired goodwill, while the remaining DKK 1.5bn related to minority interests' share of the equity value of Totalkredit.

Group equity including profit for the period was DKK 49,916m against DKK 48,692m at the beginning of the year.

In accordance with IAS 39, Nykredit has classified the Group's strategic equity investments as "available-forsale" in its Consolidated Financial Statements. The strategic equity investments comprise shares in Jyske Bank A/S, Sydbank A/S, Spar Nord Bank A/S, Amagerbanken A/S, Jeudan A/S, DADES A/S and Værdipapircentralen A/S. Equities available-for-sale are value-adjusted at fair value directly against equity up to a potential divestment. In case of a divestment, the accumulative value adjustment will be included in the operating results. The value adjustment against equity in the Consolidated Financial Statements was DKK 701m after tax for Q1-Q3/2006. The total value of equities classified as available-for-sale amounted to DKK 4,648m at end-Q3/2006.

At end-Q3/2006 the Group's capital base stood at DKK 50,831m excluding profit for the period and value adjustment of equities against equity.

The Group's core capital ratio including hybrid core capital was 10.2% at end-Q3/2006 against 11.3% at the beginning of the year. Including earnings for the period, the core capital ratio was 10.8% at end-Q3/2006.

## The Nykredit Realkredit Group Changes in equity

DKKm 30 September 30 September 31 December							
	2006	2005	2005				
Equity, beginning of period	48,692	44,235	44,235				
Minority interests	(1,553)	-	-				
Profit for the period	2,080	2,619	3,180				
Fair value adjustment of equities - available for sale	701	1,106	1,271				
Other adjustments	(4)	16	6				
Equity, end of period	49,916	47,976	48,692				

## The Nykredit Realkredit Group Capital resources (excluding profit for the period)

DKKm 30 September 30 September 31 December								
	2006	2005	2005					
Core capital, including hybrid core capital	46,831	44,885	48,674					
Core capital, excluding hybrid core capital	43,037	40,919	44,734					
Capital base	50,831	50,334	53,707					
Weighted assets	459,017	431,662	432,212					
Capital requirement	36,721	34,533	34,577					
Capital adequacy stated on the basis of								
- Capital base	11.1	11.7	12.4					
- Core capital, including hybrid core capital	10.2	10.4	11.3					
- Core capital, excluding hybrid core capital	9.4	9.5	10.4					

Q1-Q3 INTERIM REPORT 2006 6/14

#### NYKREDIT'S CAPITAL STRUCTURE

The Nykredit Group must always maintain a capital structure enabling the offering of mortgage loans and other financial solutions during periods with high as well as low business activity. Nykredit's capital resources should also secure the highest possible rating for newly issued mortgage bonds enabling Nykredit to charge the lowest possible interest rates on mortgage loans.

Equity stood at DKK 49.9bn at 30 September 2006.

Nykredit divides its equity into three elements.

Business capital of DKK 40.9bn equal to the statutory capital requirement. The capital requirement constitutes 8% of weighted items equal to DKK 36.7bn and the statutory capital deductions relating to intangible assets of DKK 4.0bn and insurance business of DKK 0.2bn.

Buffer capital of DKK 4.6bn equal to 1% of weighted items. The buffer capital is maintained to ensure that Nykredit – even after unexpected provisions for impairment of loans or securities portfolios – continues to have adequate capital resources to continue lending activities and obtain a high rating of the issued mortgage bonds.

According to the international accounting rules, provisions for loan impairment may only be made where an objective indication of impairment has been established. Any future decline in business activity will therefore lead to a steeper rise in provisions for loan impairment than under the previous accounting rules. Against this background, buffer capital of 1% of weighted items is necessary to ensure the future compliance with capital adequacy requirements.

*Strategic capital* of DKK 4.4bn being Nykredit's reserve for periods with high business growth or strategic initiatives and acquisitions.

## **OUTLOOK FOR 2006**

In Q1-Q3 the Nykredit Group core earnings exceeded overall expectations.

The trend towards normalised mortgage lending activity and growth in the bank and insurance business is expected to continue in Q4.

Provisions for loan impairment and investment income also developed more favourably than expected.

On that basis, the forecast profit before tax has been adjusted upwards to DKK 3,500-3,800m from the original DKK 3,000-3,300m. Earnings expectations are subject to considerable uncertainty, cf the development in equity and bond markets.

#### **OTHER**

#### Joint bond issuance

Since 1 August 2006 Nykredit and Totalkredit have funded all loan types offered by the Group by way of joint bond issuance. For a six-month period, however, Totalkredit will continue to issue mortgage bonds for the funding of loan offers accepted before 1 August 2006.

#### Nykredit sole shareholder of Totalkredit

At 2 October 2006, Nykredit exercised its option to purchase the remaining 20.8% of the shares in Totalkredit A/S. Totalkredit is subsequently whollyowned by Nykredit Realkredit A/S.

#### Industriens Realkreditfond

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

The case is expected to be resolved within one or two years. Nykredit expects the Danish courts to find for Nykredit.

## Tax case

The Danish National Tax Tribunal found for Nykredit Realkredit in a tax case concerning tax on profits from the disposal of shares held for trading purposes, cf the mention in the Annual Report for 2005. The Danish tax authorities have appealed against the decision to the Danish High Court. If every aspect of the case goes against Nykredit Realkredit, an additional expense of DKK 455m relative to the tax charge can be expected. Nykredit expects the Danish courts to find for Nykredit.

### **New Group Chief Executive from 1 October**

Peter Engberg Jensen took up his post as new Group Chief Executive on 1 October 2006 following Mogens Munk-Rasmussen's retirement at the end of September.

Q1-Q3 INTERIM REPORT 2006 7/14

## EVENTS OCCURRED AFTER THE CLOSING OF THE FINANCIAL PERIOD

At 1 November 2006 Nykredit implemented organisational changes in continuation of the change of Group Chief Executive on 1 October 2006. For further details, please refer to the stock exchange announcement issued on 1 November 2006.

## **ACCOUNTING POLICIES**

The Consolidated Financial Statements for Q1-Q3/2006 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and further Danish disclosure requirements for interim reports. Compliance with IAS 34 implies compliance with the principles of recognition and measurement of the international financial reporting standards (IFRS) and a more limited presentation relative to a complete annual report.

The financial statements of the Parent Company for Q1-Q3/2006 have been prepared in accordance with the Executive Order on the presentation of financial reports of credit institutions and investment companies, etc, issued by the Danish Financial Supervisory Authority.

The accounting policies are unchanged relative to the Annual Report for 2005. A description of the Group's and the Parent Company's accounting policies applied in the Annual Report for 2005 is available at www.nykredit.com.

The Q1-Q3 Interim Report has not been audited.

Q1-Q3 INTERIM REPORT 2006 8/14

Core servings After provisions	DKK million	Q3/ 2006	Q2/ 2006	Q1/	Q4/	Q3/ 2005	Q2/	Q1/ 2005
Profit for the period excludes value adjustment of strategic equities against equity   1,061   1,065   1,061   1,065   1,061   1,065	CORE EARNINGS AND DROET FOR THE DEDICE	2006	2006	2006	2005	2005	2005	2005
Public   P	CORE EARNINGS AND PROFIT FOR THE PERIOD							
Total	•		•				•	1,368
Operating costs, depreciation and amortisation         915         1,011         1,009         1,108         870         928         857           Core earnings before provisions         803         727         580         651         818         753         664           Provisions for lean impairment         996         773         617         693         947         851         940           Investment portfolio income         474         (162)         118         50         337         301         522           Profit for tax         1,470         611         735         743         1,284         1,152         1,162           Tax         409         133         194         182         323         269         367           Profit for the period         1,061         476         541         561         961         863         795           Profit for the period excludes value adjustment of strategic equities against equity         100         3033         904         111         328         630         148           SUMMARY BALANCE SHEET, END OF PERIOD         451         46,312         67,606         61,997         75,198         72,022           Mortgage loans         741,198         76,984	- Securities	337	2/4	223	220	213	232	153
Core earnings before provisions	Total	1,718	1,738	1,589	1,754	1,688	1,681	1,521
Provisions for loan impalment	Operating costs, depreciation and amortisation	915	1,011	1,009	1,103	870	928	857
Profit for the period excludes value adjustment of strategic equities against equity   100   1	Core earnings before provisions	803	727	580	651	818	753	664
Investment portfolio income 474 (162) 118 50 337 301 522   Profit before tax 1,470 611 735 743 1,284 1,152 1,162   Tax 409 133 194 182 323 289 367   Profit for the period 1,061 478 541 561 961 863 795   Profit for the period excludes value adjustment of strategic equities against equity 100 (303) 904 111 328 630 148   SUMMARY BALANCE SHEET, END OF PERIOD    Sasets Receivables: from credit institutions and central banks 74,189 74,189 76,895 79,189 87,2022   Mortgage bans Bank leans - excluding reverse transactions 28,852 25,000 21,950 180,000 1674,342 649,312   Bank leans - excluding reverse transactions 28,852 25,000 21,950 180,000 1674,342 649,312   Bank leans - excluding reverse transactions 28,852 25,000 21,950 180,000 1674,342 649,312   Bank leans - excluding reverse transactions 28,852 25,000 21,950 180,000 1674,342 649,312   Bank leans - excluding reverse transactions 64,331 58,303 58,425 79,788 55,000 56,916 44,569   Other assets 895,319 860,504 851,621 890,014 855,253 852,475 807,840   Liabilities and equity   Psyalbies to credit institutions and central banks 880,018 80,846 74,281 55,322 46,796 60,005 51,742   Deposits 10 credit institutions and central banks 895,319 80,840 74,281 55,322 46,796 79,388 79,788   Supplementary capital 4,966 4,966 6,107 6,104 6,005 2,378 23,780   Supplementary capital 4,966 4,966 6,107 6,104 6,005 2,378 23,780   Supplementary capital 4,966 4,966 6,107 6,104 6,005 2,378 23,780   Supplementary capital 4,966 4,966 6,107 6,104 6,005 2,378 23,780   Supplementary capital 4,966 4,966 6,107 6,104 6,005 2,378 23,780   Supplementary capital 4,966 4,966 6,107 6,104 6,005 2,378 23,780   Supplementary capital 4,967 6,496 6,509 5,748 8,960 6,107 3,910 8,960 6,005 6,005 8,960 8   Supplementary capital 6,960 6,005 6,378 8   Supplementary capital 6,960 6,005 6	Provisions for loan impairment	(193)	(46)	(37)	(42)	(129)	(98)	24
Profit before tax	Core earnings after provisions	996	773	617	693	947	851	640
Tax	Investment portfolio income	474	(162)	118	50	337	301	522
Profit for the period excludes value adjustment of strategic equities against equity   100   303   904   111   328   630   148    SUMMARY BALANCE SHEET, END OF PERIOD  ***Sest** Receivables from credit institutions and central banks   37,545   36,771   46,312   67,606   61,997   75,198   72,022   Mortgage loans   741,198   709,854   701,399   699,116   699,610   674,342   649,312   Bank loans - excluding reverse transactions   25,852   25,020   21,950   19,870   18,028   18,334   18,495   Bonds and equities   64,331   58,303   58,425   79,788   55,060   56,916   44,569   Other assets   895,319   860,504   851,621   890,014   895,253   852,475   807,840    Liabilities and equity   20,200   21,808   24,984   21,813   19,485   Sused bonds   689,861   662,955   656,340   71,804   696,275   679,338   657,005   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,98   Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,98   Supplementary capital   4,986   4,986   6,107	Profit before tax	1,470	611	735	743	1,284	1,152	1,162
Profit for the period excludes value adjustment of strategic equities against equity 100 (303) 904 111 328 630 148   SUMMARY BALANCE SHEET, END OF PERIOD    Assets   Receivables from credit institutions and central banks 741,198 709,854 701,399 699,116 690,601 674,342 649,312 88   Bank loans – excluding reverse transactions 25,852 25,202 21,950 19,807 18,028 18,354 18,354 18,364   Bank loans – excluding reverse transactions 26,852 25,202 21,950 19,807 18,028 18,354 18,354 18,364   Bank loans – excluding reverse transactions 26,852 25,202 21,950 19,807 18,028 18,354 18,354 18,364   Bank loans – excluding reverse transactions 26,852 30,333 58,425 79,788 55,660 56,916 44,569   Other assets 895,319 860,504 851,621 890,014 855,253 852,475 807,840   Liabilities and equity   Payables to credit institutions and central banks 81,018 80,846 74,281 55,322 46,796 60,005 51,742   Deposits 20,593 21,730 23,992 21,808 24,984 21,813 19,845   Susued bonds 689,861 662,955 656,340 718,041 686,275 679,338 657,045   Hybrid core capital 3,794 3,705 3,788 3,940 4,007 4,007 3,858   Supplementary capital 4,986 4,986 6,107 6,104 6,065 2,378 2,378   Other liabilities and equity   49,916 50,308 50,131 48,692 47,976 46,688 45,178    Total liabilities and equity (pa) 85,193 860,504 851,621 890,014 855,253 852,475 807,840   FINANCIAL RATIOS   Profit for the period as a % of average equity (pa) 8,5 3,88 4,4 4,6 8,1 7,5 7,0 6,6 5,90   Core earnings before provisions as a % of average equity (pa) 8,5 3,88 4,4 4,6 8,1 7,0 6,6 5,90   Core earnings before provisions as a % of average equity (pa) 8,5 3,88 4,7 5,4 7,0 6,6 5,90   Core earnings before provisions as a % of average equity (pa) 8,5 3,88 4,7 5,4 7,0 6,6 5,90   Core earnings before provisions as a % of average equity (pa) 8,5 3,88 4,4 4,6 8,1 7,5 7,0 6,6 5,90   Core earnings before provisions as a % of average equity (pa) 8,0 6,2 5,0 5,0 5,7 8,1 7,4 7,0 6,6 5,90   Core earnings before provisions as a % of average equity (pa) 8,0 8,0 6,2 5,0 5,5 7,8 8,1 7,4 7,0 6,6 5,90   Core capital ratio	Tax	409	133	194	182	323	289	367
SUMMARY BALANCE SHEET, END OF PERIOD	Profit for the period	1,061	478	541	561	961	863	795
SumMary Balance Sheet, END of Period   Assets   Receivables from credit institutions and central banks   37,545   36,771   46,312   67,606   61,997   75,198   72,022   Mortgage loans   741,198   709,854   701,399   699,116   690,601   674,342   649,312   Bank loans – excluding reverse transactions   25,2852   25,020   21,950   19,870   18,028   18,354   18,495   Bonds and equities   64,331   58,303   58,425   79,788   55,060   56,916   44,569   Cher assets   26,393   30,556   23,535   23,634   29,567   27,665   23,442   Cher assets   26,393   30,556   23,535   23,634   29,567   27,665   23,442   Cher assets   26,393   30,556   23,535   23,634   29,567   27,665   23,442   Cher assets   26,393   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher assets   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher asset   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher asset   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher asset   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher asset   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher asset   20,593   21,730   23,992   21,808   24,944   21,813   19,845   Cher asset   20,593   21,730   23,992   21,808   24,944   21,813   21,845   Cher asset   20,593   21,730   23,993   21,730   23,993   21,730   23,993   21,730   23,993   21,730   23,993   21,730   23,993   23,993	Profit for the period excludes value adjustment of							
Assets         Receivables from credit institutions and central banks         37,545         36,771         46,312         67,606         61,997         75,198         72,022           Mortgage loans         741,198         709,854         701,399         699,116         690,601         674,342         649,312           Bank loans – excluding reverse transactions         25,852         25,020         21,950         19,870         18,028         18,354         18,495           Bonds and equitites         64,331         58,303         58,425         79,788         55,060         56,916         44,569           Other assets         895,319         860,504         851,621         890,014         855,253         852,475         807,840           Liabilities and equity         Payables to credit institutions and central banks         81,018         80,504         74,281         55,322         46,796         60,005         51,742           Poposits         20,593         21,730         23,992         21,808         24,984         21,813         19,845           Suped bonds         689,861         662,955         656,340         718,014         686,275         679,338         657,045           Hybrid core capital         4,986         4,986	strategic equities against equity	100	(303)	904	111	328	630	148
Receivables from credit institutions and central banks   37,545   36,771   46,312   67,606   61,997   75,198   72,022   741,198   709,854   701,399   699,116   690,601   674,342   649,312   649,312   58,033   58,425   79,788   55,060   55,916   44,569   61,000   70,000	SUMMARY BALANCE SHEET, END OF PERIOD							
Mortgage loans         741,198         709,854         701,399         699,116         690,601         674,342         649,312           Bank loans – excluding reverse transactions         25,852         25,020         21,950         19,870         18,028         18,354         18,495           Bonds and equitities         64,331         58,303         58,425         79,788         55,060         56,916         44,569           Other assets         895,319         860,504         851,621         890,014         855,253         852,475         807,840           Liabilities and equity           Payables to credit institutions and central banks         81,018         80,846         74,281         55,322         46,796         60,005         51,742           Deposits         20,593         21,730         23,992         21,808         24,984         21,813         19,845           Issued bonds         689,861         662,955         656,340         18,041         686,275         679,338         657,045           Hybrid core capital         3,794         3,705         3,788         3,940         4,007         4,007         3,888           Supplementary capital         4,986         4,986         6,107         6,	Assets							
Bank loans – excluding reverse transactions         25,852         25,020         21,950         19,870         18,028         18,354         18,495           Bonds and equities         64,331         58,303         58,425         79,788         55,060         56,916         44,569           Other assets         26,393         30,556         23,535         23,634         29,567         27,665         23,442           Total assets         895,319         860,504         851,621         890,014         855,253         852,475         807,840           Liabilities and equity           Payables to credit institutions and central banks         81,018         80,846         74,281         55,322         46,796         60,005         51,742         18,905         18,945         18,945         18,945         18,945         18,945         18,945         18,945         24,984         21,813         19,845         18,945         18,945         18,945         18,945         18,945         18,945         24,984         21,813         19,845         18,945         18,945         18,945         18,945         18,945         18,945         18,945         18,945         18,945         1	Receivables from credit institutions and central banks	37,545	36,771	46,312	67,606	61,997	75,198	72,022
Bonds and equities Other assets         64,331 billities and equities 26,393 billities and equity         55,060 billities 23,542 billities 23,542 billities 24,569 billities 3,560 b								
Other assets         26,393         30,556         23,535         23,634         29,567         27,665         23,442           Total assets         895,319         860,504         851,621         890,014         855,253         852,475         807,840           Liabilities and equity         Expension of the period, %           Payables to credit institutions and central banks         81,018         80,846         74,281         55,322         46,796         60,005         51,742           Deposits         20,593         21,730         23,992         21,808         24,984         21,813         19,845           Issued bonds         689,861         662,955         556,340         718,041         686,275         679,338         657,045           Hybrid core capital         3,794         3,705         3,788         3,940         4,007         4,007         3,858           Supplementary capital         4,986         4,986         6,107         6,104         6,065         2,378         2,378           Other liabilities and equity         49,916         50,308         50,131         48,692         47,976         46,688         45,178           Final particular control of the period as a % of average equity (pa)         8.5	_							
Total assets 895,319 860,504 851,621 890,014 855,253 852,475 807,840  Liabilities and equity  Payables to credit institutions and central banks 81,018 80,846 74,281 55,322 46,796 60,005 51,742  Deposits 20,593 21,730 23,992 21,808 24,984 21,813 19,845  Issued bonds 689,861 662,955 656,340 718,041 686,275 679,338 657,045  Hybrid core capital 3,794 3,705 3,788 3,940 4,007 4,007 3,858  Supplementary capital 4,986 4,986 6,107 6,104 6,065 2,378 2,378  Other liabilities 45,151 35,974 36,982 36,107 39,150 38,246 27,794  Equity 49,916 50,308 50,131 48,692 47,976 46,688 45,178  FINANCIAL RATIOS  Frofit for the period as a % of average equity (pa) 8.5 3.8 4.4 4.6 8.1 7.5 7.1  Core earnings before provisions as a % of average equity (pa) 6.4 5.8 4.7 5.4 7.0 6.6 5.9  Core earnings after provisions as a % of average equity (pa) 8.0 6.2 5.0 5.7 8.1 7.4 5.7  Costs as % of core income 53.3 58.2 63.5 62.9 51.3 55.2 56.3  Total impairment provisions for the period, % 0.0 0.0 0.0 0.0 0.0 0.0 0.0  Capital adequacy ratio, % 11.1 11.7 12.3 12.4 11.7 11.0 11.0  Core capital ratio including hybrid core capital, % 9.4 10.0 10.3 10.4 9.5 9.7 9.9								
Liabilities and equity Payables to credit institutions and central banks  81,018 80,846 74,281 55,322 46,796 60,005 51,742 Deposits 20,593 21,730 23,992 21,808 24,984 21,813 19,845 Issued bonds 689,861 662,955 656,340 718,041 686,275 679,338 657,045 Hybrid core capital 3,794 3,705 3,788 3,940 4,007 4,007 3,858 Supplementary capital 4,986 4,986 6,107 6,104 6,065 2,378 2,378 Other liabilities 4,986 4,986 6,107 6,104 6,065 2,378 2,378 Uther liabilities and equity 49,916 50,308 50,131 48,692 47,976 46,688 45,178  Total liabilities and equity 895,319 860,504 851,621 890,014 855,253 852,475 807,840  FINANCIAL RATIOS  Profit for the period as a % of average equity (pa) 8.5 3.8 4.4 4.6 8.1 7.5 7.1 Core earnings before provisions as a % of average equity (pa) 8.5 4.7 5.4 7.0 6.6 5.9 Core earnings after provisions as a % of average equity (pa) 8.0 6.2 5.0 5.7 8.1 7.4 5.7 Costs as % of core income 53.3 58.2 63.5 62.9 51.3 55.2 56.3 Total impairment provisions for the period, % 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	Other assets	20,333	30,330	23,333	23,034	23,307	27,003	23,772
Payables to credit institutions and central banks         81,018         80,846         74,281         55,322         46,796         60,005         51,742           Deposits         20,593         21,730         23,992         21,808         24,984         21,813         19,845           Issued bonds         689,861         662,955         656,340         718,041         686,275         679,338         657,045           Hybrid core capital         3,794         3,705         3,788         3,940         4,007         4,007         3,858           Supplementary capital         4,986         4,986         6,107         6,104         6,065         2,378         2,378           Other liabilities         45,151         35,974         36,982         36,107         39,150         38,246         27,794           Equity         49,916         50,308         50,131         48,692         47,976         46,688         45,178           FINANCIAL RATIOS           Profit for the period as a % of average equity (pa)         8.5         3.8         4.4         4.6         8.1         7.5         7.1           Core earnings after provisions as a % of average equity (pa)         8.5         3.8         4.7         5.4         7	Total assets	895,319	860,504	851,621	890,014	855,253	852,475	807,840
Deposits   20,593   21,730   23,992   21,808   24,984   21,813   19,845   15,824								
Issued bonds   689,861   662,955   656,340   718,041   686,275   679,338   657,045     Hybrid core capital   3,794   3,705   3,788   3,940   4,007   4,007   3,858     Supplementary capital   4,986   4,986   6,107   6,104   6,065   2,378   2,378     Other liabilities   45,151   35,974   36,982   36,107   39,150   38,246   27,794     Equity   49,916   50,308   50,131   48,692   47,976   46,688   45,178     FINANCIAL RATIOS   FINANCIAL RATIOS   FINANCIAL RATIOS   FINANCIAL RATIOS   5,254   5,254   5,255     Core earnings before provisions as a % of average equity (pa)   6.4   5.8   4.4   4.6   8.1   7.5   7.1     Core earnings after provisions as a % of average equity (pa)   8.0   6.2   5.0   5.7   8.1   7.4   5.7     Costs as % of core income   53.3   58.2   63.5   62.9   51.3   55.2   56.3     Total impairment provisions for the period, %   0.0   0.0   0.0   0.0   0.0   0.0     Capital adequacy ratio, %   11.1   11.7   12.3   12.4   11.7   11.0   11.2     Core capital ratio including hybrid core capital, %   9.4   10.0   10.3   10.4   9.5   9.7   9.9     Supplementary capital   662,955   63,40   718,041   71								
Hybrid core capital 3,794 3,705 3,788 3,940 4,007 4,007 3,858 Supplementary capital 4,986 4,986 6,107 6,104 6,065 2,378 2,378 Other liabilities 45,151 35,974 36,982 36,107 39,150 38,246 27,794 49,916 50,308 50,131 48,692 47,976 46,688 45,178 49,916 50,308 50,131 48,692 47,976 46,688 45,17								
Supplementary capital         4,986         4,986         6,107         6,104         6,065         2,378         2,378           Other liabilities         45,151         35,974         36,982         36,107         39,150         38,246         27,794           Equity         49,916         50,308         50,131         48,692         47,976         46,688         45,178           FINANCIAL RATIOS           Profit for the period as a % of average equity (pa)         8.5         3.8         4.4         4.6         8.1         7.5         7.1           Core earnings before provisions as a % of average equity (pa)         6.4         5.8         4.7         5.4         7.0         6.6         5.9           Core earnings after provisions as a % of average equity (pa)         8.0         6.2         5.0         5.7         8.1         7.4         5.7           Costs as % of core income         53.3         58.2         63.5         62.9         51.3         55.2         56.3           Total impairment provisions         487         703         739         798         900         1,061         1,165           Impairment provisions for the period, %         0.0         0.0         0.0         0.0         0.0								
Other liabilities         45,151         35,974         36,982         36,107         39,150         38,246         27,794           Equity         49,916         50,308         50,131         48,692         47,976         46,688         45,178           Total liabilities and equity         895,319         860,504         851,621         890,014         855,253         852,475         807,840           FINANCIAL RATIOS           Profit for the period as a % of average equity (pa)         8.5         3.8         4.4         4.6         8.1         7.5         7.1           Core earnings before provisions as a % of average equity (pa)         6.4         5.8         4.7         5.4         7.0         6.6         5.9           Core earnings after provisions as a % of average equity (pa)         8.0         6.2         5.0         5.7         8.1         7.4         5.7           Costs as % of core income         53.3         58.2         63.5         62.9         51.3         55.2         56.3           Total impairment provisions for the period, %         0.0         0.0         0.0         0.0         0.0         0.0         0.0         0.0         0.0         0.0         0.0         0.0         0.0         <	•							
Equity 49,916 50,308 50,131 48,692 47,976 46,688 45,178  Total liabilities and equity 895,319 860,504 851,621 890,014 855,253 852,475 807,840  FINANCIAL RATIOS  Profit for the period as a % of average equity (pa) 8.5 3.8 4.4 4.6 8.1 7.5 7.1  Core earnings before provisions as a % of average equity (pa) 6.4 5.8 4.7 5.4 7.0 6.6 5.9  Core earnings after provisions as a % of average equity (pa) 8.0 6.2 5.0 5.7 8.1 7.4 5.7  Costs as % of core income 53.3 58.2 63.5 62.9 51.3 55.2 56.3  Total impairment provisions for the period, % 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0  Capital adequacy ratio, % 11.1 11.7 12.3 12.4 11.7 11.0 11.2  Core capital ratio including hybrid core capital, % 10.2 10.8 11.2 11.3 10.4 10.6 10.8  Core capital ratio excluding hybrid core capital, % 9.4 10.0 10.3 10.4 9.5 9.7 9.9	* * *							
FINANCIAL RATIOS  Profit for the period as a % of average equity (pa) 8.5 3.8 4.4 4.6 8.1 7.5 7.1 Core earnings before provisions as a % of average equity (pa) 6.4 5.8 4.7 5.4 7.0 6.6 5.9 Core earnings after provisions as a % of average equity (pa) 8.0 6.2 5.0 5.7 8.1 7.4 5.7 Costs as % of core income 53.3 58.2 63.5 62.9 51.3 55.2 56.3 Total impairment provisions  Total impairment provisions for the period, % 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0								
Profit for the period as a % of average equity (pa)       8.5       3.8       4.4       4.6       8.1       7.5       7.1         Core earnings before provisions as a % of average equity (pa)       6.4       5.8       4.7       5.4       7.0       6.6       5.9         Core earnings after provisions as a % of average equity (pa)       8.0       6.2       5.0       5.7       8.1       7.4       5.7         Costs as % of core income       53.3       58.2       63.5       62.9       51.3       55.2       56.3         Total impairment provisions       487       703       739       798       900       1,061       1,165         Impairment provisions for the period, %       0.0	Total liabilities and equity	895,319	860,504	851,621	890,014	855,253	852,475	807,840
Profit for the period as a % of average equity (pa)       8.5       3.8       4.4       4.6       8.1       7.5       7.1         Core earnings before provisions as a % of average equity (pa)       6.4       5.8       4.7       5.4       7.0       6.6       5.9         Core earnings after provisions as a % of average equity (pa)       8.0       6.2       5.0       5.7       8.1       7.4       5.7         Costs as % of core income       53.3       58.2       63.5       62.9       51.3       55.2       56.3         Total impairment provisions       487       703       739       798       900       1,061       1,165         Impairment provisions for the period, %       0.0	FINANCIAL RATIOS							
Core earnings before provisions as a % of average equity (pa)       6.4       5.8       4.7       5.4       7.0       6.6       5.9         Core earnings after provisions as a % of average equity (pa)       8.0       6.2       5.0       5.7       8.1       7.4       5.7         Costs as % of core income       53.3       58.2       63.5       62.9       51.3       55.2       56.3         Total impairment provisions       487       703       739       798       900       1,061       1,165         Impairment provisions for the period, %       0.0       0.		8.5	3.8	4.4	4.6	8.1	7.5	7.1
Core earnings after provisions as a % of average equity (pa)       8.0       6.2       5.0       5.7       8.1       7.4       5.7         Costs as % of core income       53.3       58.2       63.5       62.9       51.3       55.2       56.3         Total impairment provisions       487       703       739       798       900       1,061       1,165         Impairment provisions for the period, %       0.0		6.4	5.8	4.7	5.4	7.0	6.6	5.9
Total impairment provisions         487         703         739         798         900         1,061         1,165           Impairment provisions for the period, %         0.0		8.0	6.2		5.7	8.1	7.4	
Impairment provisions for the period, %         0.0	Costs as % of core income	53.3	58.2	63.5	62.9	51.3	55.2	56.3
Capital adequacy ratio, %       11.1       11.7       12.3       12.4       11.7       11.0       11.2         Core capital ratio including hybrid core capital, %       10.2       10.8       11.2       11.3       10.4       10.6       10.8         Core capital ratio excluding hybrid core capital, %       9.4       10.0       10.3       10.4       9.5       9.7       9.9	Total impairment provisions	487	703	739	798	900	1,061	1,165
Core capital ratio including hybrid core capital, %         10.2         10.8         11.2         11.3         10.4         10.6         10.8           Core capital ratio excluding hybrid core capital, %         9.4         10.0         10.3         10.4         9.5         9.7         9.9	Impairment provisions for the period, %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Core capital ratio excluding hybrid core capital, % 9.4 10.0 10.3 10.4 9.5 9.7 9.9	Capital adequacy ratio, %	11.1	11.7	12.3	12.4	11.7	11.0	11.2
	Core capital ratio including hybrid core capital, %	10.2	10.8	11.2	11.3	10.4	10.6	10.8
Average number of full-time staff 3,393 3,390 3,385 3,287 3,264 3,227 3,266								9.9
	Average number of full-time staff	3,393	3,390	3,385	3,287	3,264	3,227	3,266

Q1-Q3 INTERIM REPORT 2006 9/14

## Income statements

DKK MILLION

THE	NYKREDIT	REALKREDIT
		GROUP

NYKREDIT REALI	KREDIT A/S		THE NYKREI	OIT REALKREDIT GROUP
2005 Q1-Q3	2006 Q1-Q3		2006 Q1-Q3	2005 Q1-Q3
17,251	17,123	Interest income	25,432	26,432
14,627	14,736	Interest expense	21,218	22,090
2,624	2,387	NET INTEREST INCOME	4,214	4,342
277	257	Dividend on equities	272	286
828	598	Fee and commission income	976	1,320
155	155	Fee and commission expense	810	772
3,574	3,087	NET INTEREST AND FEE INCOME	4,652	5,176
-	-	Net premiums earned	888	849
1,670	978	Value adjustments	503	645
2	16	Other operating income	132	114
-	-	Claims incurred, net of reinsurance	701	736
1,547	1,728	Staff and administrative expenses	2,554	2,277
260	263	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	381	377
0	0	Other operating expenses	1	2
(201)	(255)	Provisions for loan and receivable impairment	(276)	(203)
1,088	1,199	Profit from investments in associates and group enterprises	2	3
4,728	3,544	PROFIT BEFORE TAX	2,816	3,598
1,003	763	Тах	736	979
3,725	2,781	PROFIT FOR THE PERIOD	2,080	2,619

10/14 Q1-Q3 INTERIM REPORT 2006

## Balance sheets

DKK MILLION

THE NYKREDIT REALKREDIT GROUP

NYKREDIT REAL	KREDIT A/S		THE NYKREI	OIT REALKREDIT GROUP
2005 31.12.	2006 30.09.		2006 30.09.	2005 31.12.
		ASSETS		
21	121	Cash balance and demand deposits with central banks	123	47
54,008	22,382	Receivables from credit institutions and central banks	37,422	67,559
440,023	447,815	Loans, advances and other receivables at fair value	745,805	705,999
63,453	101,219	Totalkredit mortgage loan funding	-	-
1,031	1,136	Loans, advances and other receivables at amortised cost	27,672	21,583
57,875	33,417	Bonds at fair value	55,823	71,639
7,601 -	7,966 -	Equities Fair value option Available for sale	3,860 4,648	4,089 4,060
7,601	7,966	Total	8,508	8,149
80	112	Investments in associates	188	155
9,790	14,080	Investments in group enterprises	-	-
3,163	3,962	Intangible assets	3,986	3,680
- 315	- 316	Land and buildings Investment properties Owner-occupied properties	72 1,334	246 1,326
315	316	Total	1,406	1,572
134	131	Other property, plant and equipment	186	187
181	0	Current tax assets	0	213
151	172	Deferred tax assets	191	171
22	11	Assets temporarily acquired	11	22
4,503	8,697	Other assets	13,881	8,925
105	112	Prepayments	117	113
642,456	641,649	TOTAL ASSETS	895,319	890,014

Q1-Q3 INTERIM REPORT 2006 11/14

## Balance sheets

DKK MILLION

THE NYKREDIT REALKREDIT GROUP

NYKREDIT REALK	REDIT A/S			OIT REALKREDIT GROUP
2005	2006		2006	2005
31.12.	30.09.		30.09.	31.12.
		LIABILITIES AND EQUITY		
27,859	31,783	Payables to credit institutions and central banks	81,018	55,322
539,934	- 528,130	Deposits and other payables Issued bonds at fair value	20,593 689,861	21,808 718,041
0	13	Issued bonds at amortised cost	1,715	654
3,978	6,575	Other non-derivative financial liabilities at fair value	15,120	9,235
0	244	Current tax liabilities	494	8
14,142	15,785	Other liabilities	24,268	22,634
0	0	Deferred income	5	9
187	195	Provisions Provisions for pensions and similar obligations	202	193
815	786	Provisions for deferred tax	839	1,008
-	0	Insurance liabilities	1,795	1,616
206	173	Repayable reserves funded by pre-1972 series	173	206
534	534	Other provisions	540	544
1,742	1,688	Total	3,549	3,567
	·		·	ŕ
7,662	7,515	Subordinate loan capital	8,780	10,044
		Equity		
1,182	1,182	Share capital	1,182	1,182
		Accumulated changes in value		
82	79	– Revaluation reserves	112	115
6	3	– Accumulated foreign currency translation adjustment of foreign entities	3	6
-	-	<ul> <li>Value adjustment of equities available for sale</li> <li>Other reserves</li> </ul>	1,918	1,217
1,004	946	Reserve for net revaluation according to the equity method	_	_
22,597	22,597	– Reserves in series	22,597	22,597
3,632	3,632	– Other reserves	3,632	3,632
18,636	21,477	Retained earnings	20,472	18,390
-	-	Minority interests	-	1,553
47,139	49,916	Total equity	49,916	48,692
C42.45C	C41 C40	TOTAL LIABILITIES AND FOLLITY	005 310	000 014
642,456	641,649	TOTAL LIABILITIES AND EQUITY	895,319	890,014
		OFF-BALANCE SHEET ITEMS		
	_	Guarantees	3,022	4,263
1,426	1,180	Other contingent liabilities	5,587	4,203
1,426	1,180	TOTAL	8,609	8,340

Q1-Q3 INTERIM REPORT 2006 12/14

# Statement of changes in equity

DKK MILLION

NYKREDIT REALKREDIT A/S

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Reserves for net revaluation according to the equity method	Value adjustment of equities available for sale	Reserves in series	Other reserves	Retained earnings	Minority interests	30.09.2006 Total	30.09.2005 Total
Balance, beginning of period Effect of changed accounting policies – IFRS Adjusted balance, beginning of period	1,182 1,182	82 82	6	1,004 1,004	-	22,597 22,597	3,632 3,632	18,636 18,636	-	47,139 47,139	<b>42,197</b> 500 <b>42,697</b>
Adjustment relating to owner-occupied properties Dividend from Nykredit Mægler Adjustment relating to foreign entities Profit for the period Adjustment relating to associates		(3)	(3)	(60) 2				60 2,781		(3) - (3) 2,781 2	1 - - 3,725 -
Balance, end of period	1,182	79	3	946	-	22,597	3,632	21,477	-	49,916	46,423
The share capital breaks down into shares of DKK 100.00 and multiples hereof.											
Balance, beginning of period Effect of changed accounting policies – IFRS	1,182	115	6	-	1,217	22,597	3,632	18,390	1,553	48,692	43,735 500
Adjusted balance, beginning of period	1,182	115	6	-	1,217	22,597	3,632	18,390	1,553	48,692	44,235
Adjustment relating to owner-occupied properties Fair value adjustment of equities –		(3)								(3)	2
available for sale Realised gain relating to equities available for sale					847					847	778
Adjustment relating to foreign entities Profit for the period			(3)		(146)			2,080		(146) (3) 2,080	- - 1,658
Adjustment relating to associates Adjustment relating to minority interests								2	(1,553)	2 (1,553)	- 15
Balance, end of period	1,182	112	3	-	1,918	22,597	3,632	20,472	0	49,916	46,688

Q1-Q3 INTERIM REPORT 2006 13/14

## Cash flow statement

DKK MILLION

THE NYKREDIT REALKREDIT

Profit after tax for the period         2006         3005         3005           Profit after tax for the period         2,000         3005         3005           Adjustment for non-cash operating items, depreciation, amortisation and impairment losses         255         300         60           Volue adjustment of requipt investments         276         100         <			GROUP
Profit affect ax for the period		2006	2005
Adjustment for non-cash operating items, depreciation, amortisation and impairment losses for intangible seates   235   309   506   67   77   78   78   78   78   78   7			
Adjustment for non-cash operating items, depreciation, amortisation and impairment losses for intangible seates   235   309   506   67   77   78   78   78   78   78   7			
Amortisation and impairment losses for intangible assets	Profit after tax for the period	2,080	2,619
Amortisation and impairment losses for intangible assets	Adjustment for non-cash operating items, depreciation, amortisation and impairment losses		
Value adjustment of equity investments         (2) (3) (203)           Provisions for for and receivable impairment         (20) (203)           Prepayments/deferred income, net         (9) (10) (203)           local calculated on profit for the period         (85) (203)           Total         (20) (203)           Profit for the period adjusted for non-cash operating items         2,038           Change in working capital         (45,618)           Learns and advances         (45,618)           Deposits and payables to credit institutions         (24,80)           Susued mortgage bonds         (27,118)           Other working capital         (45,524)           Corporation tax paid, net         (45,524)           Corporation tax paid, net         (43,702)           Cash flows from operating activities         (43,702)           Investments         (63,72)           Intraspliela sests         (63,72)           Investments         (63,72)           Intraspliela sests         (7,25)           Subtraction capital         (1,26)           Total         (14,502)           Total         (14,502)           Cash flows from investing activities         (63,22)           Total         (1,26)           Total <th></th> <th>325</th> <th>309</th>		325	309
Provisions for loan and receivable impairment         (276) (30) (31) (31) (31) (31) (32) (31) (32) (32) (32) (32) (32) (32) (32) (32		56	67
Pepsymetrs/defreed income, net         (9)         3.75         7.97         9.79         0.75         9.79         0.75         9.79         0.75         1.155         7.36         9.79         0.75         0.75         9.79         0.75         0.75         9.79         0.75			
Tox cal calasted on profit for the period Other adjustments         736 (852)         979 (155)           Total         C22 (2,303)           Profit for the period adjusted for non-cash operating items         2,098 (4,518)           Change in working capital         4(4,518)         6(2,002)           Leans and advances         4(4,618)         6(2,002)           Epoposts and appalles to credit institutions         24,480 (9,009)         9,009           Issued mortgage bonds         (27,118)         34,982           Other working capital         4(5,524)         17,840           Corporation tax paid, net         (236)         (306)           Cash flows from investing activities         15,427 (8,302)         18,870           Interestments         15,427 (8,302)         18,870           Interestments         15,427 (8,302)         18,870           Interestments         15,427 (8,302)         18,870           Interestments         111 (85)         (653)           Interestments         111 (85)         (853)           Interestments         111 (85)         (853)           Interestments         111 (85)         (853)           Interest form financing activities         (1,265)         3,628           Total         (1,265) </th <th></th> <th></th> <th></th>			
Other adjustments         (852)         1,155           Total         C22         2,303           Profit for the period adjusted for non-cash operating items         2,058         4,922           Change in working capital         2         2         4,922           Leans and advances         (45,518)         6(2,002)         8,002         1,848         9,009         9,009         1,849         9,009         1,849         1,849         9,009         1,849         1,849         1,849         1,749         1,849         1,849         1,749         1,849         1,849         1,749         1,844         1,849         1,844         1,849         1,849         1,844         1,849         1,849         1,844         1,849         1,849         1,844         1,849         1,844         1,849         1,849			
Profit for the period adjusted for non-cash operating items         2,058         4,922           Change in working capital         (45,618)         (62,002)           Loans and advances         24,480         9,009           Issued mortgage bonds         (27,118)         34,982           Other working capital         45,524)         177,840           Corporation tax paid, net         (236)         366)           Cash flows from operating activities         (33,702)         13,224)           Cash flows from investing activities         15,427         18,870           Intrangible assets         (632)         (21)           Intrangible assets         (632)         (21)           Total         14,906         18,784           Cash flows from financing activities         (1,265)         3,628           Total         14,906         18,784           Cash flows from financing activities         (1,265)         3,628           Total         (1,265)         3,628           Total cash flows         (30,061)         9,188           Cash balance and demand deposits with central banks         47         31           Receivables from credit institutions and central banks         67,599         52,778           Total		(852)	1,155
Change in working capital         (45,618)         (62,002)           Deposits and payables to credit institutions         24,480         9,009           Issued mortgage bonds         (27,118)         34,982           Other working capital         (45,524)         (17,840)           Total         (45,524)         (17,840)           Corporation tax paid, net         (36)         306)           Cash flows from operating activities         (43,702)         (13,224)           Cash flows from investing activities         15,427         18,870           Intragible assets         (632)         (21)           Property, plant and equipment         111         (65)           Total         14,906         18,784           Cash flows from financing activities         (1,265)         3,628           Total         (1,265)         3,628           Total         (1,265)         3,628           Total cash flows         (30,061)         9,188           Cash and cash equivalents, beginning of period         47         31           Cash and cash equivalents, end of period         57,559         52,778           Total         67,606         52,809           Cash and cash equivalents, end of period         37,422	Total	(22)	2,303
Loans and advances         (45,618)         (62,002)           Deposits and payables to credit institutions         24,480         9,009           Issued mortgage bonds         (27,118)         34,982           Other working capital         (45,524)         (17,840)           Total         (45,524)         (17,840)           Corporation tax paid, net         (236)         (306)           Cash flows from operating activities         (43,702)         (13,224)           Cash flows from investing activities         15,427         18,870           Investments         15,427         18,870           Intengible assets         (632)         (211)           Property, plant and equipment         11,265         3,628           Total         14,906         18,784           Cash flows from financing activities         11,265         3,628           Total         10,265         3,628           Total cash flows         30,061         9,188           Cash and cash equivalents, beginning of period         2,273         7,273           Cash and cash equivalents, beginning of period         2,273         7,273         3,742           Total         67,506         52,809         52,778           Total	Profit for the period adjusted for non-cash operating items	2,058	4,922
Loans and advances         (45,618)         (62,002)           Deposits and payables to credit institutions         24,480         9,009           Issued mortgage bonds         (27,118)         34,982           Other working capital         (45,524)         (17,840)           Total         (45,524)         (17,840)           Corporation tax paid, net         (236)         (306)           Cash flows from operating activities         (43,702)         (13,224)           Cash flows from investing activities         15,427         18,870           Investments         15,427         18,870           Intengible assets         (632)         (211)           Property, plant and equipment         11,265         3,628           Total         14,906         18,784           Cash flows from financing activities         11,265         3,628           Total         10,265         3,628           Total cash flows         30,061         9,188           Cash and cash equivalents, beginning of period         2,273         7,273           Cash and cash equivalents, beginning of period         2,273         7,273         3,742           Total         67,506         52,809         52,778           Total			
Deposits and payables to credit institutions Issued mortgage bonds (27.118) 34.982 (27.			
Issued mortgage bonds Other working capital         (27,118) 2,732 171           Total         (45,524) (17,840)           Corporation tax paid, net         (236) (306)           Cash flows from operating activities         (43,702) (13,224)           Cash flows from investing activities         15,427 18,870 18,870 18,870 18,870 18,870 111 (65)           Investments         (632) (21) (21) (21) (21) (21) (21) (21) (2			
Other working capital         2,732         171           Total         (45,524)         (17,840)           Corporation tax paid, net         (236)         (306)           Cash flows from operating activities         (43,702)         (13,224)           Cash flows from investing activities         15,427         18,870           Intrangible assets         15,427         18,870         18,870           Intrangible assets         (632)         (21)           Property, plant and equipment         14,906         18,784           Cash flows from financing activities         11,265         3,628           Subordinate loan capital         (1,265)         3,628           Total         (1,265)         3,628           Total cash flows         (30,061)         9,188           Cash and cash equivalents, beginning of period         47         31           Cash ceivables from credit institutions and central banks         67,559         52,778           Total         67,606         52,809           Cash and cash equivalents, end of period         22,809           Cash and cash equivalents, end of period         22,809           Cash and cash equivalents, end of period         22,809           Cash and cash equivalents, end of period			
Total         (45,524)         (17,840)           Corporation tax paid, net         (236)         (306)           Cash flows from operating activities         (43,702)         (13,224)           Cash flows from investing activities         15,427         18,870           Intrangible assets         15,427         18,870           Intrangible assets         15,427         18,870           Property, plant and equipment         111         (65)           Total         14,906         18,784           Cash flows from financing activities         (1,265)         3,628           Subordinate loan capital         (1,265)         3,628           Total         (1,265)         3,628           Total and cash equivalents, beginning of period         3,628           Cash and cash equivalents, beginning of period         47         31           Cash balance and demand deposits with central banks         47         31           Receivables from credit institutions and central banks         67,599         52,778           Total         67,606         52,809           Cash and cash equivalents, end of period         20,000         20,000         20,000         20,000         20,000         20,000         20,000         20,000         20,000			
Corporation tax paid, net         Cash flows from operating activities         (43,702)         (13,224)           Cash flows from investing activities         15,427         18,870           Investments         15,427         18,870           Intrangible assets         (632)         (21)           Property, plant and equipment         111         (65)           Total         14,906         18,784           Cash flows from financing activities         11,265         3,628           Subordinate loan capital         (1,265)         3,628           Total         (1,265)         3,628           Total cash flows         (30,061)         9,188           Cash and cash equivalents, beginning of period         47         31           Cash balance and demand deposits with central banks         47         31           Receivables from credit institutions and central banks         67,559         52,778           Total         67,606         52,809           Cash balance and demand deposits with central banks         123         47           Receivables from credit institutions and central banks         37,422         61,950		·	
Cash flows from operating activities  Cash flows from investing activities Investments Interpret	Total	(45,524)	(17,840)
Cash flows from investing activities Investments 15,427 18,870 Intangible assets (632) (21) Property, plant and equipment 1111 (65)  Total 14,906 18,784  Cash flows from financing activities Subordinate loan capital (1,265) 3,628  Total (1,265) 3,628  Total (1,265) 3,628  Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks 67,559 52,778  Total 67,606 52,809  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 67,559 52,778  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 67,559 52,778  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 67,559 52,778  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 747 75,809  Cash and cash equivalents, end of period 75,809  Cash and cash equivalents, end of	Corporation tax paid, net	(236)	(306)
Investments         15,427         18,870           Intangible assets         6322         (21)           Property, plant and equipment         1111         (65)           Total         14,906         18,784           Cash flows from financing activities         (1,265)         3,628           Total         (1,265)         3,628           Total cash flows         (30,061)         9,188           Cash and cash equivalents, beginning of period         47         31           Cash balance and demand deposits with central banks         47         31           Receivables from credit institutions and central banks         67,559         52,778           Total         67,606         52,809           Cash and cash equivalents, end of period         2         2           Cash and cash equivalents, end of period         2         2           Cash balance and demand deposits with central banks         123         47           Receivables from credit institutions and central banks         37,422         61,950	Cash flows from operating activities	(43,702)	(13,224)
Investments         15,427         18,870           Intangible assets         6322         (21)           Property, plant and equipment         1111         (65)           Total         14,906         18,784           Cash flows from financing activities         (1,265)         3,628           Total         (1,265)         3,628           Total cash flows         (30,061)         9,188           Cash and cash equivalents, beginning of period         47         31           Cash balance and demand deposits with central banks         47         31           Receivables from credit institutions and central banks         67,559         52,778           Total         67,606         52,809           Cash and cash equivalents, end of period         2         2           Cash and cash equivalents, end of period         2         2           Cash balance and demand deposits with central banks         123         47           Receivables from credit institutions and central banks         37,422         61,950	Cach flows from investing activities		
Intangible assets(632) Property, plant and equipment(21) 111(25)Total14,90618,784Cash flows from financing activities Subordinate loan capital(1,265)3,628Total(1,265)3,628Cash and cash flows(30,061)9,188Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks47 67,55931 67,559Total67,60652,809Cash and cash equivalents, end of period Cash balance and demand deposits with central banks47 67,60631 52,778Total67,60652,809Cash balance and demand deposits with central banks Receivables from credit institutions and central banks123 37,42247 61,950		15.427	18.870
Total 14,906 18,784  Cash flows from financing activities Subordinate loan capital (1,265) 3,628  Total (1,265) 3,628  Total (30,061) 9,188  Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks 67,559 52,778  Total Cash and cash equivalents, end of period 67,606 52,809  Cash and cash equivalents, end of period 67,606 52,809  Cash and cash equivalents, end of period 7,559 52,778  Cash and cash equivalents, end of period 7,559 52,778  Cash and cash equivalents, end of period 7,559 52,778  Cash and cash equivalents, end of period 7,559 52,778  Cash and cash equivalents, end of period 7,559 52,778			
Cash flows from financing activitiesSubordinate loan capital(1,265)3,628Total(1,265)3,628Total cash flows(30,061)9,188Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks47 67,55931 52,778Total67,60652,809Cash and cash equivalents, end of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks123 37,42247 61,950	Property, plant and equipment	111	(65)
Subordinate loan capital (1,265) 3,628  Total (1,265) 3,628  Total cash flows (30,061) 9,188  Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks 67,559 52,778  Total 67,606 52,809  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 7,559 52,778  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 7,422 61,950	Total	14,906	18,784
Subordinate loan capital (1,265) 3,628  Total (1,265) 3,628  Total cash flows (30,061) 9,188  Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks 67,559 52,778  Total 67,606 52,809  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 7,559 52,778  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 7,422 61,950	Cash flows from financing activities		
Total cash flows(30,061)9,188Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks47 67,55931 52,778Total67,60652,809Cash and cash equivalents, end of period Cash balance and demand deposits with central banks123 37,42247 61,950Receivables from credit institutions and central banks37,42261,950		(1,265)	3,628
Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks  Total  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks  Cash balance and demand deposits with central banks  123 47 Receivables from credit institutions and central banks  37,422 61,950	Total	(1,265)	3,628
Cash and cash equivalents, beginning of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks  Total  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks  Cash balance and demand deposits with central banks  123 47 Receivables from credit institutions and central banks  37,422 61,950	Total cash flows	(30.061)	9 188
Cash balance and demand deposits with central banks Receivables from credit institutions and central banks  67,559 52,778  Total  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks Receivables from credit institutions and central banks Receivables from credit institutions and central banks	iotal tash nows	(30,001)	3,100
Receivables from credit institutions and central banks 67,559 52,778  Total 67,606 52,809  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 123 47 Receivables from credit institutions and central banks 37,422 61,950			
Total 67,606 52,809  Cash and cash equivalents, end of period Cash balance and demand deposits with central banks 123 47 Receivables from credit institutions and central banks 37,422 61,950			
Cash and cash equivalents, end of period Cash balance and demand deposits with central banks Receivables from credit institutions and central banks 37,422 61,950	Receivables from credit institutions and central banks	6/,559	52,//8
Cash balance and demand deposits with central banks  Receivables from credit institutions and central banks  37,422 61,950	Total	67,606	52,809
Cash balance and demand deposits with central banks  Receivables from credit institutions and central banks  37,422 61,950	Cash and cash equivalents, end of period		
Receivables from credit institutions and central banks 37,422 61,950		123	47
Total 37,545 61,997			
10tal 37,545 61,997			
	lotal	37,545	61,997

Q1-Q3 INTERIM REPORT 2006 14/14