

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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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	45,151	39,150	36,107
Equity	49,916	47,976	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
Impairment provisions for the period, %	0.0	0.0	0.0
Capital adequacy ratio, %	11.1	11.7	12.4
Core capital ratio including hybrid core capital, %	10.2	10.4	11.3
Core capital ratio excluding hybrid core capital, %	9.4	9.5	10.4
Average number of full-time staff	3,393	3,264	3,287

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.

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.

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	Retail Customers		Commercial Customers		Markets & Asset Management		Group items and eliminations		Total	
	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 ¹	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										

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-for-sale" 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

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 wholly-owned 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.

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.

DKK million	Q3/ 2006	Q2/ 2006	Q1/ 2006	Q4/ 2005	Q3/ 2005	Q2/ 2005	Q1/ 2005
CORE EARNINGS AND PROFIT FOR THE PERIOD							
Core income from							
- Business operations	1,381	1,464	1,366	1,534	1,475	1,449	1,368
- Securities	337	274	223	220	213	232	153
Total	1,718	1,738	1,589	1,754	1,688	1,681	1,521
Operating costs, depreciation and amortisation	915	1,011	1,009	1,103	870	928	857
Core earnings before provisions	803	727	580	651	818	753	664
Provisions for loan impairment	(193)	(46)	(37)	(42)	(129)	(98)	24
Core earnings after provisions	996	773	617	693	947	851	640
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							
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 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
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
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	487	703	739	798	900	1,061	1,165
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	11.2
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
Average number of full-time staff	3,393	3,390	3,385	3,287	3,264	3,227	3,266

Income statements

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT 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	Tax	736	979
3,725	2,781	PROFIT FOR THE PERIOD	2,080	2,619

Balance sheets

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT 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
		Equities		
7,601	7,966	Fair value option	3,860	4,089
-	-	Available for sale	4,648	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
		Land and buildings		
-	-	Investment properties	72	246
315	316	Owner-occupied properties	1,334	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

Balance sheets

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2005 31.12.	2006 30.09.		2006 30.09.	2005 31.12.
		LIABILITIES AND EQUITY		
27,859	31,783	Payables to credit institutions and central banks	81,018	55,322
-	-	Deposits and other payables	20,593	21,808
539,934	528,130	Issued bonds at fair value	689,861	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
		Provisions		
187	195	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
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
-	-	– Value adjustment of equities available for sale	1,918	1,217
		Other reserves		
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
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	4,077
1,426	1,180	TOTAL	8,609	8,340

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 re-valuation 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	1,182	82	6	1,004	-	22,597	3,632	18,636	-	47,139	42,197
Effect of changed accounting policies – IFRS											500
Adjusted balance, beginning of period	1,182	82	6	1,004	-	22,597	3,632	18,636	-	47,139	42,697
Adjustment relating to owner-occupied properties		(3)								(3)	1
Dividend from Nykredit Mægler				(60)				60		-	-
Adjustment relating to foreign entities			(3)							(3)	-
Profit for the period								2,781		2,781	3,725
Adjustment relating to associates				2						2	-
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	1,182	115	6	-	1,217	22,597	3,632	18,390	1,553	48,692	43,735
Effect of changed accounting policies – IFRS											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		(3)								(3)	2
Fair value adjustment of equities – available for sale					847					847	778
Realised gain relating to equities available for sale					(146)					(146)	-
Adjustment relating to foreign entities			(3)							(3)	-
Profit for the period								2,080		2,080	1,658
Adjustment relating to associates								2		2	-
Adjustment relating to minority interests									(1,553)	(1,553)	15
Balance, end of period	1,182	112	3	-	1,918	22,597	3,632	20,472	0	49,916	46,688

Cash flow statement

DKK MILLION

	THE NYKREDIT REALKREDIT GROUP	
	2006 30.09.	2005 30.09.
Profit after tax for the period	2,080	2,619
Adjustment for non-cash operating items, depreciation, amortisation and impairment losses		
Amortisation and impairment losses for intangible assets	325	309
Depreciation and impairment losses for property, plant and equipment	56	67
Value adjustment of equity investments	(2)	(3)
Provisions for loan and receivable impairment	(276)	(203)
Prepayments/deferred income, net	(9)	(1)
Tax calculated on profit for the period	736	979
Other adjustments	(852)	1,155
Total	(22)	2,303
Profit for the period adjusted for non-cash operating items	2,058	4,922
Change in working capital		
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	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		
Investments	15,427	18,870
Intangible assets	(632)	(21)
Property, plant and equipment	111	(65)
Total	14,906	18,784
Cash flows from financing activities		
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	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		
Cash balance and demand deposits with central banks	123	47
Receivables from credit institutions and central banks	37,422	61,950
Total	37,545	61,997